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FOREIGN MINISTRY HOLDS WEEKLY NEWS BRIEFING

Li Xiannian DPRK Visit

OW241020 Beijing XINHUA in English 1003 GMT 24 Sep 86

[Text] Beijing, September 24 (XINHUA) -- Li Xiannian, member of the Standing Committee of the Political Bureau of the Central Committee of the Chinese Communist Party and president of the People's Republic of China, will pay an official good-will visit to the Democratic People's Republic of Korea from October 3 to 6.

He will be the guest of Comrade Kim Il-song, general secretary of the Central Committee of the Korean Workers' Party and president of the state of the DPRK.

This was announced by a Foreign Ministry spokesman at a weekly news briefing here this afternoon.

USSR Consultations To Resume

OW241050 Beijing XINHUA in English 1038 GMT 24 Sep 86

[Text] Beijing, September 24 (XINHUA) -- In accordance with the agreement reached between China and the Soviet Union, the ninth round of consultations between the special envoys of the Chinese and the Soviet Governments will be held in Beijing beginning from October 6 to continue the discussion on the question of normalizing relations between the two countries, a Chinese Foreign Ministry spokesman announced here today.

He said that the special envoy of the Chinese Government is Vice-Foreign Minister Qian Qichen and the special envoy of the Soviet Government is Vice-Foreign Minister I.A. Rogachev.

The Soviet delegation will arrive in Beijing on October 5, he added.

The spokesman also announced that at the invitation of State Councillor and Foreign Minister Wu Xueqian, Mr. Pierre Aubert, vice-president of the Federal Council and minister of foreign affairs of Switzerland, will pay an official visit to China from October 7 to 12.

Pakistan Nuclear Pact Discussed

OW241100 Beijing XINHUA in English 1052 GMT 24 Sep 86

[Text] Beijing, September 24 (XINHUA) -- The cooperation between China and other countries in the field of nuclear energy is exclusively for peaceful purposes rather than any non-peaceful purposes, a Chinese Foreign Ministry spokesman said here today.

Responding to a question raised by some journalists on nuclear cooperation agreement between China and Pakistan, the spokesman said at a weekly news briefing, "the Chinese Government has solemnly declared on many occasions that China does not advocate, encourage or engage in nuclear proliferation, and that it does not assist other countries in developing nuclear weapons. This is a set policy of China."

"The agreement signed recently between China and Pakistan for cooperation in the peaceful uses of nuclear energy stipulates in unequivocal terms that the International Atomic Energy Agency will be requested to guarantee safety for the cooperation projects between the two sides after the usual practices of the world," he said.

He went on, "This once again demonstrates that China is serious and earnest with regard to its policy of non-proliferation. China sincerely hopes for peace and stability in the South Asian region. China firmly supports the proposal for the establishment of the nuclear-free zone of South Asia."

"It is known to all who it is that poses a threat to peace in South Asia. The unjustified criticism in disregard of facts on the cooperation in the peaceful uses of nuclear energy between China and Pakistan is regrettable."

Israeli Relations Report Refuted

OW241120 Beijing XINHUA in English 1104 GMT 24 Sep 86

[**"Chinese Spokesman Refutes Reports on Discussion Between Chinese and Israel Officials"**
-- XINHUA headline]

[Text] Beijing, September 24 (XINHUA) -- A Chinese Foreign Ministry spokesman said here today that "the report about the secret meeting between the Israeli and Chinese officials in Paris and the reports about the bilateral relations between China and Israel are all fabrications."

He said this while responding to questions raised by journalists at a weekly news briefing.

Wang Bingqian Trip Announced

OW241128 Beijing XINHUA in English 1105 GMT 24 Sep 86

[Text] Beijing, September 24 (XINHUA) -- Vice-Premier Tian Jiyun will pay a goodwill visit to Singapore, Malaysia, the Philippines and Thailand from October 11 to 28.

This was announced by a Foreign Ministry spokesman here this afternoon at the weekly news briefing.

The spokesman also announced that State Councillor and Minister of Finance Wang Bingqian will head a Chinese delegation to attend the 1986 World Bank and the International Monetary Fund annual meetings of the boards of governors to be held from September 28 to October 3 in Washington.

REAGAN OUTLINES ARMS CONTROL IN UN SPEECH

XINHUA on Speech

OW222222 Beijing XINHUA in English 1858 GMT 22 Sep 86

[Text] United Nations, September 22 (XINHUA) -- U.S. President Ronald Reagan today offered to sign an agreement with the Soviet Union delaying deployment of his Strategic Defense Initiative (SDI), or the "star wars" program, for seven years and said he was prepared to consider an interim reduction in superpower arsenals.

But he said that "a pall has been cast over our relations with the Soviet Union." He was referring to the detention on August 30 in Moscow of Nicholas Daniloff, Moscow correspondent for the U.S. NEWS AND WORLD REPORT, on espionage charges. Daniloff's detention followed the arrest a week earlier of Gennadiy Zakharov, a Soviet national and U.N. employee, for alleged spying in New York.

"Nicholas Daniloff is an innocent hostage who should be released," Reagan told the 41st Session of the U.N. General Assembly, which began its general debate this morning. "The Soviet Union bears the responsibility for the consequences of its action. Misusing the United Nations for the purposes of espionage does a grave disservice to this organization," he charged.

Speaking on arms control, Reagan stressed that "weapons are the most dangerous and threatening to peace." The threat does not come from defensive systems but from offensive weapons, especially the Soviet Union's heavy ICBM with multiple warheads, he said. "The United States believes the prospect of a future without such weapons of mass destruction must be the ultimate goal of arms control."

Turning to his "star wars" program, Reagan said he was ready to sign an agreement immediately if the United States and Soviet Union could reach common ground on reducing strategic offensive weapons.

He said the United States continues to seek a 50-percent reduction of American and Soviet arsenals -- with the central focus on the reduction of ballistic missile warheads. "If the Soviet Union wants only a lesser reduction, however, we are prepared to consider it but as an interim measure," he said.

Reagan today offered a seven-year U.S. commitment to the 1972 Anti-Ballistic Missile (ABM) Treaty by offering to sign a new agreement limiting SDI to research, development and testing through to 1991. After that date, the two sides would be required to share the resulting technology and further negotiate the elimination of offensive weapons.

In the area of intermediate-range nuclear forces, he said, the United States seeks the total elimination of such missiles on a global basis. "Again, if the Soviet Union insists on pursuing such a goal in stages, we are prepared to conclude an interim agreement without delay," he declared.

Reagan said that the United States is prepared to sign an agreement with Moscow on research, development, testing, and deployment of strategic defenses based on the following:

First, both sides would agree to confine themselves, through 1991, to research, development, and testing, which is permitted by the ABM treaty, to determine whether advanced systems of strategic defense are technically feasible.

Second, a new treaty, signed now, would provide that if, after 1991, either side should decide to deploy such a system, that side would be obliged to offer a plan for sharing the benefits of strategic defense and for eliminating offensive ballistic missiles. This plan would be negotiated over a two-year period.

Third, if the two sides can't agree after two years of negotiation, either side would be free to deploy an advanced strategic defensive system, after giving six months notice to the other.

He said the United States is ready now to take important steps toward limiting nuclear testing. "I therefore call upon the Soviet Union to join us in practical, attainable progress in limiting nuclear testing."

He reiterated that progress in arms control cannot be divorced from "regional political development." He referred in particular to the "five critical, regional conflicts that are potential flashpoints for wider conflict", namely, Afghanistan, Kampuchea, Ethiopia, Angola and Nicaragua.

Reagan said it is difficult for the United States to accept Soviet assurances of peaceful intent when 126,000 Soviet troops prosecute a "vicious war" against the Afghan people, when 140,000 Soviet-backed Vietnamese soldiers wage war on the people of Kampuchea, when 1,700 Soviet advisors and 2,500 Cuban combat troops are involved in military planning and operations in Ethiopia, when 1,300 Soviet military advisors and 36,000 Cuban troops direct and participate in combat operations to prop up "an unpopular, repressive regime" in Angola.

The U.S. President proposed in this regard a "three-point peace process" for the resolution of regional conflicts: talks between the warring parties themselves, discussions between the United States and Soviet Union -- not to impose solutions, but to support peace talks and eventually eliminate the supply of arms and the proxy troops from abroad, and joint efforts to welcome each country "back into the world economy and the community of nations."

He also addressed the subject of terrorism, calling it heinous and intolerable -- "the crime of cowards."

In the economic area, Reagan emphasized his commitment to free trade and a free marketplace but said both faced "a grave threat -- the menace of trade barriers." "Truly, protectionism is destructionism," he added.

He welcomed the decision of GATT (the General Agreement on Tariffs and Trade) ministers meeting in Uruguay last week to launch a fresh round of multilateral trade negotiations. The United States was also working with other countries "to minimise currency swings, to promote stability in monetary markets, to establish predictability as a basis for prosperity," President Reagan said.

HSIN WAN PAO Commentary

HK231042 Hong Kong HSIN WAN PAO in Chinese 23 Sep 86 p 6

["Evening Talk" column by Yang Chu [5017 2612]: "Deferring for From 5 to 7 Years Is Nothing But a Gimmick"]

[Text] Soft and Firm Tone [subhead]

When President Reagan was talking about the issue of U.S.-Soviet nuclear disarmament in his speech delivered at the UN General Assembly, his tone was soft. When he talked about the affairs of American reporter Daniloff, he spoke with a firm tone.

He revealed that in a proposal submitted by the United States to the Soviet Union on nuclear disarmament he had even agreed to delay the deployment of the "star wars" defense system.

The United States Is Prepared To Consider It [subhead]

With regard to offensive nuclear weapons, Reagan stressed:

1. The United States still hoped that the Soviet Union would agree to a 50 percent reduction in the arsenals of both sides, with the emphasis on a reduction of the nuclear warheads on ballistic missiles. However, if the Soviet Union wanted only a lesser reduction, the United States was prepared to consider it. The percentage of reduction was not restricted to 50 percent.

2. With regard to medium-range nuclear weapons, the United States proposed that they be totally destroyed worldwide. However, if the Soviet Union disagreed with this, the United States was willing to sign an interim agreement with the Soviet Union with aim of abolishing medium-range nuclear weapons stage by stage.

Completely Different From the Previous Tune [subhead]

All these remarks were mild and indirect, which differed from Reagan's previous tune.

As far as the "star wars" defense system was concerned, he stressed that he had told the Russians that if the United States and the Soviet Union reached agreement on a drastic reduction in offensive nuclear weapons, the United States would immediately sign an agreement with the Soviet Union on the research, development, testing, and deployment of the "star wars" defense system.

Three Contents of "Star Wars" [subhead]

According to the proposal submitted by Reagan, the "star wars" weapons agreement will include the following:

1. For a period of 5 years, from the present until 1991, both sides will confine themselves to research, development, and testing.

2. A new treaty, signed now, would provide that if, after 1991, either side should decide to deploy such a system, that side would be obliged to offer a plan for sharing the benefits of strategic defense and for eliminating offensive ballistic missiles. This plan would be negotiated over a 2-year period.

3. If the two sides could not agree after 2 years of negotiations, either side would be free to deploy an advanced strategic defensive system, after giving 6 months notice to the other.

It Seems That He Has Drawn Back [subhead]

Both Reagan and his Secretary of Defense Weinberger said that the treaty on prohibition of antiballistic missile systems (ABMs) must be abrogated because it hinders the United States from developing the "star wars" arms system.

Now, while declaring in his speech that the United States will still observe the ABM treaty, Reagan said the deployment of the "star wars" arms system can be postponed until 1991, or in other words, for 5 or 7 years. It seems that he has drawn back, has he not?

In Fact He Has Not Drawn Back [subhead]

In fact, these are precisely the cunning tactics of the President or his advisers. Although the United States has made several breakthroughs in the development of the "star wars" arms system this year, it is still far from actual deployment, which cannot possibly be effected in 5 to 7 years. So, will it be really disadvantageous to the United States if it promises or even signs a treaty to postpone the deployment of the weapons system by 5 years?

The Soviet Union has given a cold response to Reagan's remarks. This means that the Soviets are not slow-witted either.

WU XUEQIAN CONTINUES DIPLOMATIC DUTIES AT UN**Talks With Shultz**

OW240056 Beijing XINHUA in English 0045 GMT 24 Sep 86

[Text] United Nations, September 23 (XINHUA) -- Chinese Foreign Minister Wu Xueqian met U.S. Secretary of State George Shultz here today and both cited the meeting as "straight forward, constructive and worthwhile."

At a working luncheon at the Chinese mission to U.N., the two ministers exchanged views on a wide range of issues including relations between the two countries and major international issues.

The Chinese foreign minister, who is here attending the current session of the United Nations Assembly, invited Shultz to visit China next year and the U.S. secretary of state accepted the invitation with pleasure.

Meets Portuguese Foreign Minister

OW240154 Beijing XINHUA in English 0131 GMT 24 Sep 86 ~

[Text] United Nations, September 23 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said here today that a successful settlement of Macao question rests upon mutual trust between China and Portugal.

The Chinese foreign minister and this Portuguese counterpart Pires de Miranda met here at the U.N. headquarters and discussed the future of Macao in what was termed as a friendly and agreeable manner.

Wu made it clear that China's policy on the question of Macao is through negotiations and according to the idea of "one country, two systems."

China and Portugal have held two rounds of negotiations over the settlement of the question of Macao since June this year.

In the process of negotiations, Wu said, China would take full account of Portugal's legitimate interests in Macao.

The Portuguese foreign minister, on his part, expressed his satisfaction with the smooth progress of the previous two rounds of negotiations held between the two governments.

He pointed out that the settlement of the question of Macao will not only contribute to Macao's prosperity and stabilization, but also help further the friendly relations between Portugal and China.

De Miranda told Wu that the Portuguese Government is in active preparation for the third round of negotiation on the question of Macao, which is scheduled to open in Beijing in October this year. He spoke highly of the achievements the Chinese Government has made in the past few years.

WAN LI MEETS UN ASSOCIATIONS FEDERATION OFFICIALS

OW231156 Beijing XINHUA in English 1125 GMT 23 Sep 86

[Text] Beijing, September 23 (XINHUA) -- Chinese Vice-Premier Wan Li met Prof. Hufner, chairman of the Executive Committee, and Dr. Hagmayer, secretary-general, of the World Federation of the United Nations Associations here today.

Hufner and Hagmayer arrived here September 20 on a visit to China at the invitation of the United Nations Association of China.

This morning and Monday morning, they held talks with leading officials of the host association on the current international situation and issues concerning the U.N. and U.N. associations.

PRC TO HELP ALLEVIATE UN FINANCIAL CRISIS

OW240842 Beijing XINHUA in English 0742 GMT 24 Sep 86

[Text] United Nations, September 23 (XINHUA) -- The Chinese Government has decided to pay its withholdings of contributions totalling more than 4.3 million U.S. dollars to help alleviate the financial crisis facing the United Nations.

This was disclosed by Chinese Permanent Representative to the United Nations Li Luye in a letter to U.N. Secretary General Javier Perez de Cuellar on September 19.

The letter, which was released here today, said that "this action taken by the Chinese Government is intended solely to help alleviate the final crisis now facing the United Nations and in no way would it be taken to mean any change in my government's consistent principled positions on the issues related to these withholdings."

High-ranking officials of the Secretariat expressed their deep appreciation of the Chinese move to take the lead in paying withholdings to help alleviate the financial crisis facing the world body.

It was learned here that U.N. member-states' [words indistinct] of contributions will total more than 408 million U.S. dollars by August 31, 1986.

XINHUA ON STOCKHOLM DISARMAMENT CONFERENCE

OW221301 Beijing XINHUA in English 1201 GMT 22 Sep 86

[**"Roundup: Stockholm Conference Ends With Certain Progress on European Security Issue (by Xie Linfeng)" -- XINHUA headline**]

[Text] Stockholm, September 22 (XINHUA) -- The 35-nation Stockholm disarmament conference ended here today after reaching agreement on avoiding accidental wars in Europe at the last hours of the 32 month tough and difficult negotiations.

According to the final document of the conference, delegates from the United States, Canada, the Soviet Union and all other European nations except Albania agreed unanimously to a package of accords on the verification of military activities in Europe..

The main accords are:

-- To notify each other at least 42 days in advance of any military manoeuvres involving more than 13,000 men or 300 tanks.

-- To give each other the limited right to inspect military activities or areas, each country can make up to three on-site visits a year.

-- To invite other signatories to observe manoeuvres involving more than 17,000 troops. This applies to roughly 10 exercises per year in each camp.

-- To draw up a calender, to be issued by November 15 each year, detailing notifiable manoeuvres in the year ahead.

-- To assure not to use arms or threaten to use arms against the territories and independence of the other countries.

The agreement, regarded as a major move in easing East-West tension in the 1980s, is mainly the result of concessions from both sides.

The Stockholm conference, formally known as the Conference on Confidence and Security-Building Measures and Disarmament in Europe, started on January 17, 1984 within the framework of the 1983 Madrid European Security Conference Accord, but it made little headway during the first year as relations between the United States and the Soviet Union were strained by issues such as the Euro-missiles.

After the re-election of Ronald Reagan as the U.S. President and the ascent to the Kremlin leadership of Mikhail Gorbachev at the beginning of 1985, the Stockholm conference entered a "constructive phase" with both sides proposing "conference-building measures," although they were quite different from each other.

At the first Reagan-Gorbachev meeting last November, the two countries finally agreed to base the negotiations at Stockholm on compromising initiatives proposed by the neutral states.

Only in the past eight months, however, the United States and the Soviet Union, the two most powerful participants of the Stockholm conference, engaged in serious negotiations as the Stockholm conference was approaching its deadline and both the Soviets and Americans needed some progress in the talks to dramatize the second Reagan-Gorbachev meeting presumably to be held at the end of this year.

During the 11th session of the Stockholm conference, the Soviet side only demanded that the military activities on the ground or associated with the army be informed in advance and independent air force movements will be discussed at the next Conference on European security. This obviously reversed the previous Soviet stand that all air and marine military activities be informed.

The Soviet Union also gave up its opposition to the Western countries' request for on-site inspection of military activities and finally agreed to three such inspections.

The Soviet consent to on-site inspection cleared a major obstacle to an agreement in the Stockholm conference and was welcomed by the West.

On the other hand, the Western countries made a rather big concession by raising the size of the military maneuvers to be notified in advance to 13,000 soldiers from 6,000 they had originally proposed. They also reduced the number of on-site inspections to three every year and pledged not to abuse the right of inspection.

At the final moment, the U.S. side stepped back from its insistence on using inspectors' own planes in the on-site inspection and agreed to use transport means provided by the inspected side.

During the Stockholm conference, the neutral and non-aligned European countries, as well as Federal Germany, Britain and France played important mediatory roles and helped the United States and the Soviet Union make mutual concessions.

Observers here believed that the Stockholm conference marked a step forward in the East-West dialogue and in easing tension in Europe. But they cautioned that one should not think too highly of the achievements since the two superpowers are still far apart on substantial disarmament.

FRIENDSHIP COMMITTEE SESSION OPENS IN TOKYO

OW240401 Beijing XINHUA Domestic Service in Chinese 1710 GMT 22 Sep 86

[By reporter Zhang Huanli]

[Text] Tokyo, 22 Sep (XINHUA) -- The 3d Plenary Session of the 21st Century Committee for China-Japan Friendship opened at the Hotel New Otani in Tokyo this morning.

Tadao Ishikawa, chief representative of the Japanese side, presided over the opening ceremony. Japanese Prime Minister Yasuhiro Nakasone attended and addressed the meeting. Chief Chinese representative Wang Zhaoguo and Tadao Ishikawa delivered keynote speeches.

In his address, Prime Minister Nakasone said: Through the previous two sessions, Japanese and Chinese members of the 21st Century Committee for Japan-China Friendship have established profound friendship, which has brought about more mature relations between the two countries. He said: "Frank exchange of views is indispensable for developing bilateral ties. Even if a problem crops up now or in the future in the friendly relations between the two countries, it should be handled in the spirit of the four principles governing Japanese-Chinese relations; that is, 'peace and friendship, equality and mutual benefit, mutual trust, and prolonged stability.' As long as the two sides abide by these four principles, problems can be properly handled."

Chinese Ambassador to Japan Zhang Shu read a joint congratulatory message from General Secretary Hu Yaobang and Premier Zhao Ziyang. Masayoshi Ito, president of the Dietmen's League for Japanese-Chinese Friendship, delivered a speech on behalf of all Japanese-Chinese friendship organizations, warmly congratulating the opening of the third plenary session.

Shortly before the session started, Prime Minister Nakasone met with Wang Zhaoguo.

The session, which moved from Tokyo to Oiso in Kanagawa Prefecture this afternoon, is scheduled to close on 24 September. In his speech, Wang Zhaoguo said: To realize the splendid goal of Sino-Japanese friendship in the 21st century is in line with the vital interests of the Chinese and Japanese nations, as well as an inevitable trend in the development of Sino-Japanese relations. We have already realized many favorable conditions and achieved a good beginning in this aspect.

Wang Zhaoguo said: Owing to different social and economic systems and ideologies between China and Japan, contradictions and differences, or even suspicions of one kind or another, might emerge along with closer contacts between the two countries. "We believe that the two sides should respect each other and seek common ground while reserving differences regarding problems arising from different social lifestyles and cultural traditions. Suspicion caused by a lack of mutual understanding or by misunderstanding should be cleared and absorbed via a prompt exchange of views. As for differences concerning major issues in bilateral ties, we should handle them carefully because they are apt to undermine relations between the two countries."

In this connection, Wang Zhaoguo expounded on the following five basic positions to properly handle destabilizing factors in bilateral relations.

He said: First of all, a correct assessment of history is a prerequisite for lasting friendship between the two countries. A number of problems unfavorable to Sino-Japanese friendship have occurred over recent years. Despite different manifestations, the problems were basically caused by the failure to correctly assess the history of the Japanese militarist invasion of China. Second, providing the next generation with wholesome education is a lofty task facing our two countries. Both countries should train a new generation of people, dedicated to Sino-Japanese friendship, to have a correct outlook on history and mutual trust, as successors to the cause of our friendship. Third, it is extremely important to respect the national feelings of the Chinese and the Japanese peoples in properly handling problems existing between the two countries. We sincerely hope that both government and nongovernmental circles in China and Japan will actively guide the national feelings of each country to develop along this correct direction. Both sides should exert maximum efforts to refrain from doing anything that will hurt the national feelings of either the Chinese or Japanese people. Fourth, both countries should make persistent efforts for peaceful development. Fifth, it is necessary to map out long-range plans for further strengthening Sino-Japanese economic and technical cooperation.

In his speech, Ishikawa reviewed the achievements of the previous two sessions of the 21st Century Committee for Japan-China Friendship, in particular the "4-point opinion for developing Sino-Japanese friendly relations" put forward by General Secretary Hu Yaobang at a meeting with members of the committee after the second session last year. He said: "General Secretary Hu's 4-point opinion fully reflects his dedication to Japanese-Chinese friendship. It expounds on the importance of a correct assessment of history and respect for the national feelings of the other country to further develop friendship; it also stresses the heavy tasks shouldered by the members of the committee in identifying and resolving contradictions. Prime Minister Nakasone and the Japanese Government have supported this '4-point opinion'."

Ishikawa said: "In the development of Japanese-Chinese relations over the past year, there have been positive factors, such as the exchange of visits by Japanese and Chinese foreign ministers for consultations, the visit to Japan of 500 Chinese youths, and other dialogues and exchanges; but there have also been negative factors, such as the issues concerning official visits to Yasukuni Shrine and history textbooks." Efforts have been made to eliminate adverse effects of the aforesaid negative factors in line with the basic guiding principles of Japanese-Chinese relations, which were reaffirmed at the last committee session, and through constant dialogues at various levels between the two governments and between Japanese and Chinese members of the committee.

JAPANESE BUSINESS MISSION ARRIVES IN BEIJING

OW231211 Tokyo KYODO in English 0911 GMT 23 Sep 86

[Text] Beijing, Sept. 23 KYODO -- A high-powered Japanese business mission arrived here Tuesday for a five-day visit to China.

The 44-member mission comprises leaders of business organizations and corporations and is headed by Ryoichi Kawai, chairman of Komatsu Ltd.

During their stay through Saturday, the group will talk with Chinese officials to promote China's exports to Japan.

STATISTICS EXCHANGE PACT TO BE SIGNED WITH JAPAN

HK230545 Beijing CHINA DAILY (BUSINESS NEWS SUPPLEMENT) in English 10 Sep 86 p 1

[By staff reporter Wang Xingcun]

[Text] For the first time China is set to regularly send basic data on 2,000 Chinese large and medium-sized enterprises to a foreign publication, says the China Statistical Information and Consultancy Service Centre.

An agreement between the centre and the JAPAN ECONOMIC NEWS (NIHON KEIZAI SHIMBUN) will be signed by the end of this month, said Xiang Zhongde, the centre's general manager.

"We will collect and process statistics from the 2,000 factories on their management, production, sales, capitalization, workforce and budgets. And then we will provide JAPAN ECONOMIC NEWS with the tabulated data," Xiang told BUSINESS WEEKLY.

Xiang said the centre was the only service in China producing English-language statistical books and materials, including "China 1986 Statistics Yearbook," "A Statistical Survey in 1986" and "China Urban Statistics Yearbook." It also conducts sample surveys and polls.

The centre, founded in May 1985, has met 230 orders from both Chinese and foreign firms and factories, Xiang said.

Last year the British printing firm Thomas De La Rue and Company Limited asked the centre to make a survey in four Chinese special economic zones. The firm wanted to know the number of cheques used in the previous five years and the forecast for 1986-90.

Austrian Stephen Fitzgerald and Company Limited consulted the centre on such questions as how many Chinese factories produced cars, washing machines, refrigerators and TV sets, and how many of those the urban Chinese had.

Making use of the State Urban and Rural Sample Survey Team with a staff of 20,000 throughout the country, the centre conducted a survey for the Shanghai Xiechang Sewing Machine Plant covering 30,000 rural households on what sewing machines the peasants had, why they bought them and what kind they needed in the future.

Earlier this year, China Central Television Station wanted to know whether their special Spring Festival Programme Show was popular with its audience. The centre surveyed capital cities in 28 provinces and autonomous regions, interviewing 1,300 families.

"Although we are under the direct administration of the State Statistical Bureau, the functions and aims of the centre and the bureau are different," Xiang said.

"The bureau only serves Government bodies and Party organizations, but we provide services for the whole society, foreign firms, Chinese factories and even individual businesses."

PAKISTANI GENERAL CONTINUES BEIJING VISIT

Meets Zhao Ziyang

OW231336 Beijing XINHUA in English 1312 GMT 23 Sep 86

[Text] Beijing, September 23 (XINHUA) -- Chinese Premier Zhao Ziyang here today described Sino-Pakistan relations as an example of peaceful coexistence of countries with different social systems.

During his meeting with General Rahimuddin Khan, chairman of Joint Chiefs of Staff Committee of Pakistan, and his party, Zhao said that the bilateral relations are characterized by sincerity and mutual trust, sympathy and respect.

He said the relations have a profound basis, have stood the (?test of) time and will [word indistinct] tests.

[Beijing XINHUA Domestic Service in Chinese at 1208 GMT on 23 September in its report on the meeting states the following:

"He said the relations have a profound basis, have stood the test of time and will stand new tests." (clearing indistinct words)]

He noted that it is the Chinese Government's established policy to continue to strengthen such relations.

Zhao said he appreciated the Pakistan Government's perseverance in its just position on the question of Afghanistan.

He said that political solution to the Afghanistan question must be based on the withdrawal of Soviet troops, and reiterated that China's stand will not change.

Zhao also said China supports Pakistan's efforts to safeguard independence and sovereignty.

Rahimuddin said the Pakistan authorities attach great importance to Pakistan-Chinese relations.

The Pakistan people and army have been greatly encouraged by China's progress in developing its economy and modernizing its national defense, he added.

Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army, was present.

Khan Hosts Beijing Banquet

OW232102 Beijing XINHUA in English 1622 GMT 23 Sep 86

[Text] Beijing, September 23 (XINHUA) -- General Rahimuddin Khan, chairman of Joint Chiefs of Staff Committee of Pakistan, and his wife gave a return banquet at the Pakistan Embassy here this evening.

Among the guests were Yang Dezhi, chief of General Staff of the Chinese People's Liberation Army (PLA), his wife, and Xu Huizi, deputy chief of General Staff of the PLA.

Rahimuddin and his party visited the National Defense University of the PLA this morning and will leave Beijing tomorrow for a tour of Baotou, Sian and Shanghai.

HUANG HUA ASSURES CONTINUED SUPPORT TO PAKISTAN

BK231048 Karachi Domestic Service in English 1005 GMT 23 Sep 86

[Text] China will continue to support Pakistan to oppose external threat and safeguard its sovereignty. This was stated by the vice chairman, National People's Congress Standing Committee, Mr Huang Hua, while receiving the visiting 7-member women's delegation from Pakistan led by the Punjab minister for social welfare, Miss Shaheen Atiqur Rehman.

Reciprocating, Miss Shaheen Atiqur Rehman said Pakistan highly values its friendship with China and the warmth and hospitality shown to them would always be cherished.

AFGHAN REBEL COMMANDER COMMENTS ON SOVIET TACTICS

OW211106 Beijing XINHUA in English 0737 GMT 21 Sep 86

[Text] Islamabad, September 21 (XINHUA) -- The Soviets, apart from setting up 1,500 security posts around Kabul, capital of Afghanistan, have established two organizations to deal with the guerrillas.

This was disclosed by Abdul Haq, commander of Hezb-e-Islami (Maulawi Khales group), a member of the 7-party Islamic alliance of the Afghan mujahidin formed in 1985.

In a recent interview, the commander said that the two new pro-Russian-Kabul organizations are known as Defa-e-Khudi (self-defence) and Defa-e-Mulki (civil defence). The Soviets have distributed arms and ammunition to them, enabling them to maintain order in the capital and deal with the mujahidin infiltration into Kabul.

The Russians have not conquered Afghanistan since their invasion in 1979 with 115,000 troops, the commander said. Even in the capital, explosions and rocket attacks have become more often in recent years, with the Russian Embassy and its residential buildings being the main targets of the attacks.

The Russians have tried to buy over some tribes to isolate the guerrillas and their supporters, but failed, the commander said. This time the Russians will certainly fail again, because most of the Afghan people treasure independence and freedom and they will fight to the last drop of blood for this sacred cause.

The majority of the people the Soviets trust are in fact sympathizers of the mujahidin, and some of them have even stealthily joined in the fight of the guerrillas with Soviet-provided weapons, he added.

When asked about poppy cultivation in the liberated areas in Afghanistan, the commander said the Russians openly encourage the people to cultivate poppy in Afghanistan to defame the mujahidin and spread drug-addiction to Europe and America.

He said the Russians have burnt wheat, maize and other crops, but left poppy alone. So they allow the cultivation of poppy in Afghanistan. On the contrary, he said, the guerrillas oppose and stop poppy cultivation in the country.

For instance, the guerrillas of all organizations recently have jointly destroyed poppy crops in Lowgar, one of the poppy growing areas in Afghanistan, in the southwest of Kabul.

NEPALESE PRIME MINISTER ON RELATIONS WITH PRC

OW211908 Beijing XINHUA in English 1837 GMT 21 Sep 86

[Text] Katmandu, September 21 (XINHUA) -- Nepalese Prime Minister Marich Man Singh Shrestha said here today that Nepal should strive hard to strengthen the Nepal-China relations in various aspects and make them more meaningful and productive.

The prime minister made the remarks while opening a Chinese artistic handicraft exhibition this evening at the art gallery of the Nepal Association of Fine Art.

The 6-day exhibition organized by the Nepal-China Cultural Council displayed over 60 pieces of the art hanging screens with rich Chinese national styles and features for marking the 37th anniversary of the founding of the People's Republic of China.

Tu Guowei, the Chinese ambassador to Nepal, said at the opening ceremony that the exhibition reflects the Chinese people's willingness of peace and development. Based on the five principles of peaceful coexistence, the friendly and cooperative relations between China and Nepal have been developed, he added.

BULGARIA'S TODOROV MEETS NPC DELEGATION

OW240142 Beijing XINHUA in English 0127 GMT 24 Sep 86

[Text] Sofia, September 23 (XINHUA) -- Chairman of the Bulgarian National Assembly Stanko Todorov met with the delegation of the Chinese National People's Congress led by Vice-Chairman of its Standing Committee Liao Hansheng here Monday afternoon.

At the meeting, Liao Hansheng reaffirmed the Chinese Government's position on disarmament and prohibition of the use of nuclear weapons.

China stands for the principle of all peoples developing their national economies through their own efforts, actively defending world peace and curbing the outbreak of a world war, the vice-chairman said.

Liao also said that the Chinese people welcome the summit talks between the two superpowers. He expressed the hope that agreements on large-scale disarmament and cessation of the arms race in outer space will be reached at the summit in the interest of world peace and stability.

Todorov said that the most important task today is to maintain world peace, stop the arms race and nuclear tests.

Both parties agreed that the visit has increased mutual understanding and enhanced political, economic and cultural cooperation.

The delegation arrived here last Friday for an eight-day visit.

TEXTILE MINISTER WU WENYING VISITS BULGARIA

Meets Zhivkov

OW180158 Beijing XINHUA in English 0048 GMT 18 Sep 86

[Text] Sofia, September 17 (XINHUA) -- Bulgarian State Council Chairman Todor Zhivkov met with Chinese Textile Minister Wu Wenying today, saying that his country would further relations with China.

Zhivkov told Wu, who is heading a Chinese textile delegation on a visit here, that "there is no obstacle which can prevent Bulgaria and China from cooperating in economic and other fields."

Bulgaria is interested in China's experiences in economic construction and hopes that the two countries will exchange information about their socialist construction, Zhivkov said.

Wu briefed Zhivkov on the development of China's textile industry and said that her ministry will cooperate with its Bulgarian counterpart.

Earlier today, First Vice Premier Andrey Lukyanov also received Wu, who leaves for home tomorrow with her delegation.

Departs 18 Sep

OW181143 Beijing XINHUA in English 1102 GMT 18 Sep 86

[Text] Sofia, September 18 (XINHUA) -- Chinese Textile Minister Wu Wenying today concluded a week-long visit to Bulgaria.

Since her arrival, she has met with top Bulgarian leaders and chiefs of textile enterprises, and signed a memorandum on their talks.

In the talks with her Bulgarian counterpart Elena Zlateva, both sides expressed satisfaction at the progress in scientific and technical cooperation between the two countries and said they were interested in furthering such cooperation in textile industry.

They agreed to exchange information and experts, organize technical training and hold exhibitions and trade fairs in each other's country.

HEALTH COOPERATION PLAN SIGNED WITH POLAND

LD192106 Warsaw PAP in English 1236 GMT 19 Sep 86

[Text] Beijing, Sept. 19 -- A delegation of the Polish Ministry of Health and Social Welfare, headed by Minister Miroslaw Cybulko, paid a visit to China between Sept. 11 and 19 at the invitation of Chinese Minister of Public Health Cui Yueli.

Members of the Polish delegation held talks at the Chinese Ministry of Health, met with Minister Cui Yueli and toured a number of health centres.

On September 17, the delegation was received by State Councillor Ji Pengfei.

During the visit, the sides signed a plan of cooperation between the Polish and Chinese Ministries of Health for the years 1987-88 which provides for training of medical staff and cooperation in such fields as diagnostic and therapeutic methods, plastic surgery, transplantations, cardiology, virology and oncology. They agreed that a week of Polish medicine will be organized in People's China.

GEOLOGICAL SCIENCE PROTOCOL SIGNED WITH HUNGARY

OW200306 Beijing XINHUA in English 0200 GMT 20 Sep 86

[Text] Budapest, September 19 (XINHUA) -- China and Hungary signed a five-year protocol on cooperation in the field of geological science here today.

The protocol was signed by Xia Guozhi, Chinese vice minister of geology and mineral resources, and Viktor Dank director of the Hungarian Bureau of Geology.

During his stay in Hungary from September 11 to 19, the Chinese vice minister toured a bauxite mine, a uranium mine, and the petroleum and geophysical research institutes.

HUNGARIAN PARTY WORKER VISITS BEIJING

Meets Zhu Liang

OW191905 Beijing XINHUA in English 1509 GMT 19 Sep 86

[Text] Beijing, September 19 (XINHUA) -- Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, met and feted here today Istvan Oszi, deputy head of the Foreign Affairs Department of the Central Committee of the Hungarian Socialist Workers' Party.

Meets Qiao Shi

OW201432 Beijing XINHUA in English 1312 GMT 20 Sep 86

[Text] Beijing, September 20 (XINHUA) -- A senior Chinese Communist Party (CPC) leader today expressed the hope for further contacts between the CPC and the Hungarian Socialist Workers' Party.

"Such contacts would be beneficial to both," Qiao Shi, member of the Political Bureau and Secretariat of the CPC Central Committee, said at a meeting with Istvan Oszi, deputy head of the Foreign Affairs Department of the Central Committee of the Hungarian Socialist Workers' Party.

Hungary's reforms have provided food for thought to China, he said. As the economic restructuring deepens, China is prepared to conduct reforms in the political field.

Oszi expressed satisfaction with the talks he held with leaders of the International Liaison Department of the CPC Central Committee in the morning.

The time is ripe for the two parties to push their relations to a higher level, Oszi said.

Hungary values China's experience in the reforms, he said. He hoped that the two countries would continue to share experience in this regard.

The guests are scheduled to leave for cities outside Beijing tomorrow.

PRC PARTICIPATES IN BUDAPEST INTERNATIONAL FAIR

OW191935 Beijing XINHUA in English 1625 GMT 19 Sep 86

[Text] Budapest, September 19 (XINHUA) -- The 84th Budapest Autumn International Fair opened here today with 35 countries, including China, displaying their products. Most of the exhibits are consumer goods produced by 1,300 factories. The fair, covering an area of over 70,000 square meters, will run for 10 days.

The China hall occupies an area of 513 square meters, 80 percent larger than the fair of 1983. The Chief of the Fair Judit Gyorfi praised China for its active participation in the fair. Chinese silks, embroidery, carpets and other light industrial products enjoy a high reputation in Hungary and other parts of the world, he said.

PRC, YAR MARK ANNIVERSARY OF RELATIONS

Li Xiannian Message

OW240231 Beijing XINHUA Domestic Service in Chinese 0832 GMT 23 Sep 86

[Text] Beijing, 23 Sep (XINHUA) -- Chinese President Li Xiannian sent a message to the President of the Yemen Arab Republic [YAR] 'Ali 'Abdallah Salih on 23 September, extending felicitations on the 30th anniversary of the establishment of diplomatic relations between the two countries.

The message said: "On the occasion of the 30th anniversary of the establishment of diplomatic relations between the People's Republic of China and the Yemen Arab Republic, I extend, on behalf of the Chinese people and in my own name, my warmest greetings to Your Excellency and, through Your Excellency, to the friendly people of Yemen."

The message pointed out: "In the past 30 years of diplomatic relations between China and Arab Yemen, our two countries and people have always been sympathetic with and supportive of each other, and their friendship and cooperation in the political, economic, cultural, and other fields have continuously developed and strengthened. We are satisfied with this fact."

The message went on to say: "It is China's established policy to continue to develop the traditional friendship and friendly cooperation with Arab Yemen."

In conclusion, the message said: "I am convinced that with the joint efforts of our two countries, friendly relations between China and Arab Yemen, based on the five principles of peaceful coexistence, will continuously strengthen and grow."

Wu Xueqian Greetings

OW240251 Beijing XINHUA Domestic Service in Chinese 0836 GMT 23 Sep 86

[Text] Beijing, 23 Sep (XINHUA) -- Foreign Minister Wu Xueqian today sent a message to 'Abd al-Karim al-Iryani, vice president and concurrently minister of foreign affairs of the Yemen Arab Republic, on the 30th anniversary of the establishment of diplomatic ties between China and Arab Yemen.

The message said: "The gratifying progress achieved in developing friendship and cooperation between our two countries is in line with the fundamental interests of our two peoples. I sincerely wish that Sino-Yemeni friendship will grow with each passing day."

YAR President Sends Praises

OW240240 Beijing XINHUA in English 0227 GMT 24 Sep 86

[Text] Sanaa, September 23 (XINHUA) -- 'Ali 'Abdallah Salih, president of the Yemen Arab Republic [YAR], today sent a congratulatory message to the Chinese President Li Xiannian, marking the 30th anniversary of the establishment of diplomatic relations between the two countries.

President Salih said, "We are determined to continue the development and expansion of cooperation based on the mutual respect to serve the common interests of our two states and peoples."

"The glorious '1949' revolution has opened wide prospects for the promotion of relations between the two countries," the president said.

He also said he hoped that the ties between the two countries would be further developed.

In a message sent today to Chinese Foreign Minister Wu Xueqian, 'Abd al-Karim al-Iryani, deputy prime minister and foreign minister of the Arab Yemen, said that China has always stood by the side of Arab Yemen even when the country is facing the most difficult situation. He described the relationship between the two countries as "a model of friendly relations and cooperation."

S. AFRICA'S 'BRAINWASH CAMPS' ASSAILED

HK240507 Beijing RENMIN RIBAO in Chinese 21 Sep 86 p 6

[*"Jottings"* by Gu Yuqing [7357 3768 3237]: "Tyranny Ends in Celebrations"]

[Text] In view of the failure of use of bloody suppression to calm the towering passion of the South African people against apartheid, the South African authorities have recently tried to play a new trick, that is, to "release" the young people taken into custody during the state of emergency to their secretly built "brainwash camps" in an attempt to make the innocent young people believe their captors' fabricated lies and thereby obediently accept the diabolical system of apartheid.

As a matter of fact, this new trick is but another fanciful, stupid act. Under the oppression of South African racial tyranny, local black people are being persecuted, beaten, and murdered every day. Large numbers of black people are being tortured and beaten half to death by the authorities. The leading characters in this tragedy are actually the parents, brothers, or relatives of the young black people who are locked up in the "brainwash camps." "Lies written in ink cannot cover up facts recorded in blood." More oppression will lead to stronger resistance. The South African authorities are trying in vain to use honeyed words to wash away the frightful calamities the young black people have personally witnessed and suffered.

Apartheid is actually the outcome of colonial domination. Although the colonial system collapsed long ago, the South African authorities still cherish colonialism and attempt to go against the tide of history. This shows that they are brutal and also incredibly stupid.

Regarding "brainwashing," it seems that the benighted brains of the South African authorities should indeed be washed by the surging historical tide. If the South African authorities continue to stick to their policy of apartheid and maintain tyranny by means of suppression, the following foreign saying can be quoted to describe their fate: "Tyranny ends in celebrations." In other words, the oppressed South African people will eventually celebrate a magnificent festival to hail the doom of the apartheid regime in South Africa. The reactionary South African authorities will not be able to change this fate no matter what means they use, suppression or "brainwashing."

ZHOU GUCHENG FETES MADAGASCAR ASSEMBLY PRESIDENT

OW232210 Beijing XINHUA in English 1644 GMT 23 Sep 86

[Text] Beijing, September 23 (XINHUA) -- Zhou Gucheng, vice-chairman of the Standing Committee of China's National People's Congress (NPC), gave a banquet in honor of Lucien Xavier Michel Andrianarainjaka [spelling of name as received], president of the National People's Assembly of Madagascar, here this evening.

Zhou hosted the banquet on behalf of Peng Zhen, chairman of the NPC Standing Committee. Zhou said that there exists a traditional friendship between the Chinese and Madagascan peoples and friendly relations and cooperation between the two countries in various fields have developed consistently since they established diplomatic relations.

He described the current visit by Andrianarainjaka as the start of contacts between the parliaments of the two countries and a great help for the development of Sino-Madagascan relations.

He said that strengthening unity and cooperation among the Third World countries is the foundation stone of China's diplomatic work and the Chinese people firmly support the just struggle of the African countries and peoples, especially the people in southern Africa.

Andrianarainjaka said that Madagascar and China belong to the big family of the Third World countries and both are joined in the worldwide struggle for peace.

He said the peoples of the two countries share good feelings toward each other and his present visit to China proves this, toward each other and his present visit to China proves this.

The Madagascan visitors arrived here at noon today and Zhou held talks with them this afternoon.

ZHENG TUOBIN MEETS CAMEROON AGRICULTURE MINISTER

OW231304 Beijing XINHUA in English 1246 GMT 23 Sep 86

[Text] Beijing, September 23 (XINHUA) -- Zheng Tuobin, Chinese minister of foreign economic relations and trade, held talks with a government economic and trade delegation from Cameroon led by Minister of Agriculture Jean-Baptiste Yonke here today.

The two sides expressed satisfaction with the existing friendly relations and cooperation between the two countries and shared the view that bilateral cooperation were constructive and fruitful.

The two sides also briefed each other on their own countries' agricultural development and policy. They hoped that during the delegation's stay in China they could explore new ways of cooperation in the economic and technological fields.

They also reached consensus on establishing a mixed committee for bilateral economic, trade and technological cooperation.

The delegation arrived here today.

CONSTRUCTION AID GIVEN TO CHAD FOR NEW PROJECTS

OW171226 Beijing XINHUA in English 1107 GMT 17 Sep 86

[Text] Yaounde, September 17 (XINHUA) -- China has resumed its construction aid to Chad since the reopening in 1985 of the Chinese Embassy here which closed during the Chadian civil war.

Radio Chad reported Tuesday night China has agreed to cooperate with Chad in the construction of a people's house and a hospital in N'djamena.

According to a communique issued by the two countries, the radio said, at the request of the Chadian Government, China undertakes to build the two projects instead of a stadium and a bridge over the Chari River, projects agreed upon by the Chadian and Chinese Governments in 1965.

China had to suspend all its aid projects in Chad because of the civil war in that country.

ZAMBIAN HEALTH MINISTER ACKNOWLEDGES MEDICAL AID

OW232218 Beijing XINHUA in English 1655 GMT 23 Sep 86

[Text] Lusaka, September 23 (XINHUA) -- Zambian Health Minister P.S. Chitambala today thanked China for sending medical teams to his country noting that China has been giving medical help to Zambia since its independence.

Meeting here today with visiting Chinese Vice-Minister of Public Health Chen Minzhang, Chitambala said China is Zambia's true friend.

Meanwhile, China has decided to donate 27,000 U.S. dollars worth of medicines and medical equipment to Zambia.

ZHU XUEFAN MEETS SIERRA LEONE TRADE UNION LEADER

OW201914 Beijing XINHUA in English 1541 GMT 20 Sep 86

[Text] Beijing, September 20 (XINHUA) -- Zhu Xuefan, vice-chairman of China's National People's Congress Standing Committee, met here today a delegation from the Labor Congress of Sierra Leone, led by President Ibrahim Langley.

Zhu exchanged views with the visitors on strengthening cooperation between trade unions of the two countries.

The delegation arrived in China on September 9 at the invitation of the All-China Federation of Trade Unions.

PRC SIGNS CONTRACT FOR DAYA BAY NUCLEAR PLANT

HK231052 Hong Kong AFP in English i031 GMT 23 Sep 86

[Text] Beijing, Sept 23 (AFP) -- China signed a 2.5 billion dollar contract with French and British companies Tuesday for the construction of a nuclear power plant, capping eight years of negotiations. Chinese Deputy Premier Li Peng, the prime mover of the project, was present at the signing ceremony in the Great Hall of the People. Under the terms of the contract, the largest ever signed by China with foreign firms, the Daya Bay plant will become operative in 1992, Western diplomatic sources said.

The French company Framatome will provide two 1,000 megawatt reactors for the plant, and conventional turbines will be furnished by the British General Electric Company. The project aroused protests in Hong Kong, 50 kilometers (30 miles) from the site of the new plant, where one million of the five million residents signed a petition expressing concern over safety precautions and calling for the project to be scrapped.

Loans, Equipment Arranged

OW231726 Beijing XINHUA in English 1617 GMT 23 Sep 86

[Text] Beijing, September 23 (XINHUA) -- Seven documents on loans and equipment supply for the construction of the Daya Bay Nuclear Power Plant in Guangdong Province were signed here today at the Great Hall of the People.

The documents were a loan agreement between the Bank of China and seven French banks, loan agreement between the Bank of China and ten British banks, loan agreement between the Bank of China and Guangdong Nuclear Power Joint Venture Company (GNPJVC), nuclear island equipment supply contract between GNPJVC and the French Framatome Company, nuclear assembly supply contract between GNPJVC and Framatome, conventional island equipment supply contract between GNPJVC and the British GEC Turbine Generators Company Ltd, and a project services contract between GNPJVC and the French electric company.

The construction of the Daya Nuclear Power Plant started in April 1984 and the first period of construction has basically been completed. The nuclear island civil works structural excavation began last August 18.

The first unit of the plant is scheduled to be put into operation in 1992 and the second unit in 1993. After the completion, the nuclear power plant will provide electricity to Guangdong and Hong Kong, contributing to the prosperity and stability of Hong Kong and economic development in Guangdong Province.

HONG KONG JOURNAL ON WANG RUOSHUI, OTHERS

HK190429 Hong Kong CHING PAO in Chinese No 9, 10 Sep 86 pp 39-41

[Article by Fang Bin: "Wang Ruoshui Case Not Yet Settled"]

[Text] Deng Xiaoping's recent speech, "The Party Should Refrain From Intervening in Everything," and Wan Li's speech on implementing democratic and scientific decision-making have inspired people of all circles in the hinterland. [paragraph continues]

Many people with insight say with feeling: Such a fine situation as today's did not come easily. This statement is not without grounds. The criticism of "bourgeois liberalization" and the campaign to "eliminate spiritual pollution" once gave the ideological and cultural circles of Mainland China anxieties. Quite a number of prominent people were treated unfairly and "came under attack from all sides" because of their honesty and straightforwardness and their views on the improper practices of the times. However, people will never give them the cold shoulder. Recently, the author has been to Beijing and Shanghai, and visited Wang Ruoshui, Wang Ruowang, Yu Haocheng, and Liu Binyan. Their situations are as follows:

Wang Ruowang Is Still Having Troubles With His Name [subhead]

In mid-July, Wang Ruowang and two others' views on the writing of essays were aired by the Shanghai People's Broadcasting Station in its program "Selections From the Press." However, the best part of Wang's view was cut through "selection." Wang says: "At present, many newspapers and journals have invited me to write essays for them; however, almost as many of them have suggested that I use a pseudonym. Some people are scared to this day to see the name Wang Ruowang, lest my very name should bring them bad luck, and they would be out of favor. That I will never do, I want that bit of freedom. If one of my articles is not signed with my own name, I would feel like someone born without bones. Then how could I stand on my own feet? There are still 'leftist' personalities in several newspaper offices in Shanghai. They would not even look at some of my occasional writings; how could they publish my essays? it is fortunate for me that they have not taken hold of all China's news and publication circles. Most of my articles have been published since the beginning of 1986." Wang Ruowang also told me that his wife Yang Zi (Feng Shuzhen) has published two articles in Shanghai's XIANDAI JIATING ["MODERN FAMILY"] and Quangdong's JIATING ["FAMILY"] of which, the one "My Fellow Countryman Wang Ruowang" carried in JIATING has won the readers' acclaim.

Wang Ruowang says that, despite the fact that "relaxation" is advocated at present, he is still being ill-treated. Anyway, the reform of the political system is inevitable, such as the separation between party and government, which is a key issue. But it will not be smooth sailing if party and government are separated. Over the past 3 decades and more, it has always been the party who has had the last word. Will it be smooth sailing if the party's power is restricted? There would certainly be reversals of the situation.

However, Wang Ruowang is rather satisfied with his situation. His family has moved from Xianghuaqiao Road to a new apartment of Gaoan Road. The new apartment has more floor space and a telephone. In May, he participated in the activities of Shanghai retired cadres at Chengde Summer Palace. He added, "I have never begged to others for my freedom. I can make full use of the democratic freedom and rights given to me in the Constitution, whether I am given my freedom or not."

Strive for Safeguarding Legal Rights [subhead]

"I want to strive for safeguarding my legal rights" -- this statement was made when Wang Ruoshui was interviewed by a reporter of "FAXUE" ["The Science of the Law"], a Shanghai journal. He says he is still waiting for an answer to his problem which has been in suspension ever since he was removed from office of the "RENMIN RIBAO."

The 30th anniversary of the proposal of the "double-hundred" policy fell on 26 May 1986. At the invitation of Shanghai WEN HUI BAO and SHE HUI BAO, Wang Ruoshui delivered the speech "On Several Issues Concerning the 'Double-Hundred' Principle" at Dazhong Theater. Those who attended the meeting were greatly inspired, regarding it as Wang Ruoshui's first reappearance since the campaign of "Eliminating Spiritual Pollution."

The author made a second visit to Wang Ruoshui at the Yanan Hotel on 27 May. he was in high spirits that day, and showed me the JIEFANG RIBAO ["LIBERATION DAILY"] of the very same day, saying: "This time, JIEFANG RIBAO has not made a fuss over publishing my article 'The Freedom of Literature, and Free Literature.' In fact, many people have failed to see that this article is directed at the commentator's article carried in the No 6 issue of the WENYI BAO, written by Hu Qiaomu. But when that article was formally published, some points had been revised. If he was allowed to have his say, why should I not be allowed to contend with him? That's why I wrote the article. But I did not imagine JIEFANG RIBAO would have published it so soon this time."

Why was Chen Nianyun, chief editor of the JIEFANG RIBAO, who has always been steady in his work, so bold as to publish an article in discussion with Hu Qiaomu? A friend who knew the inside story told me, Hu Qili proposed "relaxation, harmony, friendly terms, and mutual trust" to the literature and art and theoretical circles in Shanghai in mid-April. Speaking of the "elimination of spiritual pollution," he said that the "theoretical authority" had lied then to the Central Committee by magnifying the "grave situation." It is precisely because of this that the chief editor of the JIEFANG RIBAO has published Wang Ruoshui's article.

The Joint Publishing Company of Hong Kong has recently published Wang Ruoshui's book entitled "In Defense of Humanism." In the preface of his book, Wang wrote: "The two articles 'On Revolutionary Humanism' and 'My View of Humanism' were written in discussion with Comrade Hu Qiaomu. I hope that these articles rouse further discussion, and criticism is also welcomed. I bear responsibility for every word I have written." The few words he wrote have enabled the author to see Wang Ruoshui as a person "who cares little about officialdom, but prizes truth more than his own life." He has time and time again requested a conclusion to his problem from the Central Committee.

His Sense of Responsibility Outstrips Personal Gain or Loss [subhead]

A friend in Beijing told me that Yu Haocheng's sense of historical responsibility, and his intellectual conscience have outstripped his consideration of personal gain or loss. The author has no doubt on that point.

Seeing that Yu Haocheng has published many articles in the press of late, people believe he has made his comeback. I met Yu both in Beijing and Shanghai in late July and early August. During my stay in Shanghai, I went to see Wang Ruowang with him. While we were in Beijing, we had a long talk, and it was only then that I found out that Yu Haocheng has still been having trouble since his retirement.

Not long ago, Li Guangcan, the famous jurist and chairman of the Institute of the Science of Law at Nankai University, intended to invite Yu Haocheng to become honorary chairman of the Institute, and sent Qunzhong Publishing House a letter soliciting its opinion. But quite unexpectedly the matter involved the Ministry of Public Security, and a special discussion was conducted at a session of the party group of the Ministry. [paragraph continues]

Later, an assistant director of the Political Department under the Ministry of Public Security called Yu on the phone, saying: "We have taken into consideration the fact that you already hold many posts, and we wonder if you could reject the invitation?" It sounded like soliciting his opinion, but who could have failed to read between the lines! However, Li Guangcan's character is also upright and honorable. Two weeks later, Yu Haocheng received the letter of invitation all the same.

Academic conferences took place in both Qingdao and Hefei in mid-August. Yu Haocheng had a paper to give at the symposium on the history of China's legal thinking in Hefei. To "save time," he asked his daughter to type the article at her work unit before sending it to the Qunzhong Publishing House to have it printed in a hurry. He had not expected to be asked to pay 300 yuan for the typing. We can well imagine what a situation Yu found himself in after retirement. Some people were criticized in the past for being irresponsible and sluggish in their work. Now they are doing their best to make things difficult for him; the difficulty of obtaining a car may serve as evidence.

Yu Haocheng told me: "When one gets old, one sometimes has a sense of historical responsibility. There are far too few honest and outspoken people in China today, and people are always waiting to see what happens. It is the same with 'relaxation.' You are allowed to relax today, but that relaxation will be taken away tomorrow. We should not pin our hopes on some leading members, always waiting for some favors to be bestowed, which is in essence a demonstration of being slavish. Why are people never aware of the fact that they themselves are the masters of the nation?"

"Besides, I believe that it isn't scientific to say 'serving the people.' Serving the people is in essence a kind of bestowed favor. Because the people need 'me,' and they cannot do without 'me.' This falls in line with the idea of 'making decisions for the people,' or 'taking responsibility for the people.' The people are not placed in the position of being masters of the nation, nor are their democratic rights regarded above all else. To my mind, the slogan 'one for all, and all for one' is rather suitable in the present stage of socialism. Of course, we may discuss and study problems in this respect, and I may also make theoretical demonstrations on this point. Anyway, nothing substantial has been done so far about it."

Liu Binyan, a Very Busy Person [subhead]

When I saw Liu Binyan, he seemed to be very excited, and he did not look like a man approaching his sixties, but like a "middle-aged" person. I had barely taken my seat in his study before he told me with great excitement: "You must have read about Wan Li's speech at the national forum on soft science research on 31 July. But there's one point which the outside world may not know; Wan Li talked about his 'second loyalty,' and spoke positively about it. Some of my friends in the literature and art circles as well as the news circles called that very day to extend their congratulations." The author was very happy to hear about that. This is because Liu Binyan has paid a very great price for his "second loyalty"! He was close to being demoted, a situation which is known to all.

The RENMIN RIBAO Office appraised five senior journalists by vote not long ago, and Liu Binyan was the only one who got full votes from the appraising committee, with unanimous support from top to bottom. Liu is the only person above 50 who has kept his post in the RENMIN RIBAO Office without being retired. It seems that things are better for Liu Binyan now. I said to him, it is said that you have Hu Yaobang behind you. He smiled faintly and said: "I have the masses behind me. As to General Secretary Hu Yaobang, I have in fact had the experience of making a toast to him at a banquet, which took place at the Nationality Cultural Palace in 1979. At that time, I asked the general secretary if he had received my book, and he said he had. [paragraph continues]

I have never had any contact with him in person since then, but I have written him several letters. Therefore, it is untrue to say that I have Hu Yaobang behind me."

"Now I always feel that I am short of time." Liu Binyan said: "Xinjiang wants to initiate 'TIANSHAN,' a large-type reportage journal. They insist on my contributing works to them, otherwise, they will stop the journal. It is the same case with the Jiangsu journal JISHI, "RECORD OF EVENTS" and I find the responsibility too great for me. Sometimes the question occurs to me, what if I, Liu Binan, should be criticized? When rumors about me are flying about, the press will surely adopt a different attitude. But still, I can understand the situation they are in, because that is the way things are in China. Despite the fact that the constitution has stipulated freedom for speech and press, it is very difficult to put it into practice."

Liu Binyan will be visiting the USSR in October, and will attend the international symposium on contemporary Chinese literature to be held in Shanghai in November. He said he was too busy and had little time for reading when I said good-bye to him.

If Hu Qiaomu Stays, I'll Stay, Too

The journal XINGUANCHA, whose chief editor is Ge Yang, is known for its liberal ideas, honesty and outspokenness, and its effects are great, however, Ge Yang is already in her seventies. Despite her high spirits, she will soon retire. The question of who will succeed her is naturally an important concern.

Ge Yang was angry when we touched on the topic of her successor. She said: "The decision that Li Honglin would become chief editor was made by the party group of the Chinese Writers' Association through discussion. However, the party group's decision became void simply because of one statement by Hu Qiaomu. At a conference called by the CPC Central Committee Propaganda Department, I said that the inner-party organization life of our party has been abnormal. The decision of a party organization cannot be carried out just because one person has a different view. Is there any democracy to speak of at all here?"

"True, I am now 70 years old, but Hu Qiaomu is several years my senior. If he stays, why should I go? If he can go on working, why can't I? Hu Qiaomu said that some people were against him in Beijing, and he referred to the Journal XINGUANCHA as one of his opponents. It is not a simple question of opposing him, and what if we do oppose him? This is, after all, a matter of democracy. If you are wrong, people have the right to oppose you. Otherwise, what is meant by everyone being equal before the truth? We bow only to the truth."

It is still difficult to say who will become chief editor of XINGUANCHA. Moreover, the CPC Central Secretariat has been involved. According to my friend, Ge Yang will never make a concession easily, for the trials and hardships of several decades have shaped the staunch character of this old lady.

LIAOWANG DISCUSSES REFORM OF JOURNALISM

HK220813 Beijing LIAOWANG in Chinese No 36, 8 Sep 86 pp 14-15

[Article by Zhang Chijian [1728 2170 1017]: "Journalism Should be Improved To Meet the Needs of Reform -- Information From the National Forum of Editors-in-Chief of Provincial Newspapers"]

[Excerpts] "In order to give wider publicity to reform, journalism should be improved." This was unanimously voiced by the comrades attending the national forum of editors-in-chief of provincial newspapers held by the Propaganda Department of the CPC Central Committee.

More than 30 editors-in-chief of the provincial and city newspapers spoke without any inhibitions, summed up the experience of journalism over the past decades, realized the arduous tasks undertaken by the party organs today in publicizing reform and in taking part in the building of socialist material and spiritual civilization, sought the adaptability of journalism to the needs of the new period... In a lively atmosphere, everyone tried to take the floor before others. The editors-in-chief said that the successes achieved in journalism reform since the 3d Plenary Session of the 11th CPC Central Committee should be affirmed. The successes are mainly indicated in the following: First, in the guiding ideology, we shifted the publicity on "taking class struggle as the key link" onto economic construction; second, we restored and developed the tradition of seeking truth from facts, discarded the unhealthy tendency of making "false, exaggerated, and void" publicity since the "Great Leap Forward" period, and dared to speak the truth, which gradually enhanced people's trust in the newspapers; third, newspapers provided a large amount of information to keep abreast of the new reform situation and opening up which played a positive role in widening people's field of vision and promoting the development of a socialist commodity economy; fourth, the articles carried in newspapers were readable and the gap between newspapers and readers narrowed; and fifth, compared with the single party newspaper in the past, there is now a variety of newspapers, with the party newspaper as the core, which has enormously enriched people's political and cultural life.

While the successes must be affirmed, there are also a number of problems. The editors-in-chief perused various local newspapers and realized that these newspapers have not adapted to the situation of reform and opening up which is changing with each passing day and that newspapers do not reflect the vigorous life of the new age. The editors-in-chief evaluated themselves and the surrounding factors and realized that there are some conventions and outdated ideas which hamper the initiative and intelligence of journalists and the role played by newspapers as the mouthpiece of the party and people. The reform of journalism carried out over the past few years was just a beginning, they said, and we must thoroughly develop the reform way to meet the needs of the current new situation. The editors-in-chief expressed their understanding of and views on the reform of journalism in the future.

-- In order to fully develop the initiative, enthusiasm, and creativity of journalists, party committees at all levels should strengthen and improve leadership over journalism and put an end to the situation of exercising excessive and rigid management. Undoubtedly, the editors-in-chief said, party leadership over newspapers is absolutely necessary. Such leadership should be exercised in light of the party's principles and policies and according to the laws of journalism. It should be collective leadership of the party committees. While political guidance of the party committee is necessary, newspaper agencies must be given a free hand to report daily news in their own ways so long as they do not violate the four basic principles. [paragraph continues]

The relevant departments and leading comrades should not undertake the affairs of the editors-in-chief.

-- Journalists should further emancipate their minds and take an active part in reform and blazing new trails. [passage omitted]

-- The further reform of journalism has put a new question before the readers, that is, how to renew their concept of reading. Over the years, the following concept has taken shape among a number of our readers: The articles carried in newspapers should be read and applied and be regarded as the guide for thinking and action as they communicate the party's instructions. If this concept of reading is not renewed, the editors-in-chief said, it is bound to affect newspaper reform. [passage omitted]

Teng Teng, new deputy head of the Propaganda Department of the CPC Central Committee, attended the forum. He said that he was a university professor for a long time, but never engaged in journalism. He was, however, an enthusiastic reader. He came to take part in the discussion today in the capacity of a reader. He said that some comrades have asked a question concerning journalism reform: Should we carry out a major reform, an intermediate reform, or a minor reform? If the concept of a major reform means changing the nature of the party newspaper or running "newspapers by colleagues," individuals, or collectives in an attempt to disrupt the current multi-level and multi-structural newspaper system focused on the party newspaper, the direction would be wrong and it would lead to grave consequences. As with other reforms, we should gain a clear idea of the connotations and the goals of journalistic reform and the problems that must be solved. In my opinion, the essential purpose of journalistic reform is to meet the needs of the new historical period and to better serve the party's general objectives and tasks. Our journalism should now serve the building of material and spiritual civilization and reform, opening up, and invigoration. The attainment of these goals is the sole criterion in judging whether we have done a good job in journalistic reform. [passage omitted]

Regarding the question of strengthening and improving leadership of party committees at all levels over the party newspaper, Teng Teng said that the situation in each locality differs from the others. Generally speaking, there is indeed a question of how party committees should concern themselves with and support the newspapers. Judging from some provincial party committees that have done a good job, they have concerned themselves with and supported the newspapers, given them a free hand, and also exercised necessary leadership. There are now some young comrades in the party committees at all levels. Although they have no experience in this field, just like me, they now have to assume leadership over journalism. If we put ourselves in their position, we can see the difficulty of the job. I hope that comrades in press agencies will do something to familiarize the new cadres with the running of newspapers. Old and new comrades should keep each other informed. Only in this way can the party committees, at all levels, gradually strengthen and improve their leadership over the party newspaper.

YANGCHENG WANBAO ON CULTURAL REVOLUTION REPETITION

HK170245 Guangzhou YANGCHENG WANBAO in Chinese 13 Sep 86 p 2

[Article by Zhao Er [0664 5101]: "On 'A Comeback Every 7 or 8 Years'"]

[Text] Because fragments of so-called "model plays" were presented during the period of the Spring Festival, some articles have taken this as a signal of "the backwash of 'left' thinking in a way," and have said openly to people: Though the "Cultural Revolution" does not definitely come back every 7 or 8 years, it will stage a comeback "without following any pattern." They have also come up with rather grim conclusions and questions: "The return of model plays in the orchestra ... it is not difficult to note some nostalgia for the "Cultural Revolution" and for the era of the 'leftist' evil spelling ruin."

People condemn that unprecedented catastrophe. They still have lingering fears, so much so that they have nightmares about its return. Any social phenomenon having the least thing to do with the cause and effect of that catastrophe is often treated as important and is brought to the attention of the public as a warning. Of the words of warning that have surfaced, many show enlightenment and reflect grief and regret. They have produced the effect that past experience, if not forgotten, is a guide to the future. But mere words bemoaning the period of trouble and disaster do not suffice. A historical-materialist scientific attitude is needed all the more. History is no printing plate. There is no cycle to the manners and morals of the time. From the presentation of so-called "model plays," it cannot be deduced that, given the past pattern of "leftism" appearing every 7 to 8 years, the time has now arrived for its return. Still less can it be deduced that players and singers "show nostalgia for the era of the 'leftist' evil spelling ruin," "cannot refrain from being emotionally attached to the "Cultural Revolution," and so forth. The "importance of the matter" cannot help inducing a feeling in people of being under pressure. It is better to have second thoughts about uttered words of a sentimental nature, lest they may suddenly impinge on a person's political orientation.

As we open history books covering half a century, we can note that our Party did suffer the impact of "leftist" thinking on many occasions. But the cause is mostly traceable to a given party leader in a given period. Only in this way can "leftist" thinking occupy a ruling position. So, straightening out what is "leftist" is often a matter of partially and temporarily solving certain problems. Troubles and problems can pile up, which happened then, eventually leading to such a great disaster as the "Cultural Revolution." Our party has risen from the ashes and picked up the pieces. With the great wisdom and courage of the working class as the vanguard, it has made the greatest effort to sort things out since the founding of the party. This is a historical self-examination with practice as the criterion for testing truth -- a self-examination made with a bitter experience still fresh in our minds -- enabling the party to lift itself at last out of the tangles of "leftism." The shift in focus of the party's work, the people's involvement in the "four modernizations," an enlightened government combined with a satisfied people, and the popular desire for stability are what now objectively exist in our society. To conclude that one performance of a "model play" signifies a return to "leftism" is inevitably divorced from reality. Taking the presentation and singing of a "model play" as the source of a "leftist" wind also betrays an abruptness typical of the Chinese story figure called Li Kui who was quick to use his broad ax.

People interested in Beijing operas generally know that some of the so-called "model plays" were originally modern Beijing operas created by playwrights devoted to reforming Beijing operas. [paragraph continues]

Most of them had been introduced into the orchestra before the "Cultural Revolution." Due to the prevailing era and like some contemporary literature and art works, they showed the defect of being confined to fixed formulas and concepts. What is unfortunate is that they were tampered with and willfully altered by Jiang Qing during the 10 years of disaster. The images of certain main Beijing Opera figures were increasingly enhanced and deified to the utmost. The aim was to serve the ambitions of the gan and "Leftism" and to make capital by usurping Party and State power. But what they portrayed were, after all, worker-peasant-soldier figures, such as Li Yuhe, Yang Zirong, A Qingsao, and so forth. Though these images had been greatly distorted in some cases, the subject matter had nothing to do with the ruination of veteran cadres and the creation of rebels to usurp power. This generally cannot constitute "the main melody of the Cultural Revolution." Nor can it be considered "an indispensable and important component of the Cultural Revolution." Otherwise, the party's effort to bring chaos out of order and negate the "Cultural Revolution" would have been a relatively simple exercise. "The Resolution on Certain Questions in the History of the Party Since the Founding of the PRC" would have been directed at criticizing "model plays" as its main substance.

Using practice as a criterion for testing truth means that no one can dictate things. Of course, modern Beijing operas altered by Jiang Qing also cannot be allowed to remain "model plays" forever. Now is the time to restore their original features. It is not a matter of "picking up" or "putting back." It is returning things to their original owner.

Whether these few modern Beijing operas should have their place in the garden of 100 flowers should be determined by the guideline of letting a hundred flowers blossom and a hundred schools of thought contend. Their acceptance of rejection is left to the decision of the broad masses of spectators. A discussion should be conducted in a tolerant, harmonious and cordial atmosphere. At the least, the "three dont's" should also be upheld.

Let us wait and see whether "leftism" will make a comeback every 7 or 8 years," as predicted.

PRC CLOSES DOWN ILLEGAL CATHOLIC SEMINARY

HK221008 Hong Kong AFP in English 0916 GMT 22 Sep 86

[By Pierre-Antoine Donnet]

[Text] Beijing, Sept 22 (AFP) -- Chinese authorities have forcibly closed down an illegal Catholic seminary loyal to the Vatican, arresting or interrogating its members, a member of an officially-recognised seminary said Monday. Troops or police units went to Qiaozhai village, near Baoding Town in the central province of Hebei in May, to close a "secret" and "illegal" seminary, Father Hou Jinde, a professor and priest at an officially-authorised seminary in Hebei told AGENCE FRANCE-PRESSE in a telephone interview.

China broke off links with the Vatican in 1957, and has since established an official church which does not recognize the Holy See. The Qiaozhai seminary, which was loyal to the Vatican, had been founded secretly without official permission more than a year ago and its activities were declared forbidden in May, he added.

According to some reports, the Army raided the village in May and took away the seminarians in their cars, but other accounts said the raiding party was made up of police units from several districts, he said. Father Hou said he did not know how many people were interrogated or arrested nor their ultimate fate.

A police spokesman for Gaocheng District, which is responsible for Qiaozhai, confirmed that the seminary had been closed in May, and said it numbered 38 people including peasants, young women and people "with criminal records." "The activities of this organisation were not just religious but its members also carried out other illegal activities, he said. The leader of the group had been released from a "reform through labour" camp shortly before the seminary was closed on May 29, and had been sent back there afterwards, he added. All the other seminarians had been sent home.

(Roman Catholic sources in Hong Kong said that Public Security Bureau officers had arrested about 40 illegal seminarians at Qiaozhai. Some were released after interrogation but others were still detained, the sources said. In late June, four seminarians from a different group were arrested when police raided the home of a Catholic family in the area where the four were visiting an elderly bishop loyal to Rome, the sources said. The bishop was not identified. The public security officers searched the four's belongings and, after finding religious material, arrested them. There had been no news of the four since, the sources said. The sources added that about the same time a group of elderly nuns and novices -- about a dozen -- had been detained by security forces. The sources also said that there were a number of "underground seminarians" loyal to the Holy See who were training Chinese for the priesthood.)

Since 1979, Beijing has been tolerant of religious organisations that support the communist government, such as the Chinese Catholic Patriotic Association (CCPA) which has a flock of 3.3 million. But the Chinese authorities accuse the Vatican of interfering in the country's internal affairs, and remain inflexible towards the "silent church," whose members refuse to acknowledge the split with Rome. It is not known how many members it has. The Qiaozhai seminary "had no relation with us," Father Hou said. "Its priests opposed us by saying that we were no more than state officials and not real priests." "They believed that we had betrayed the doctrines of Catholicism," he added. "Rumour has it here that we were responsible for the ban of their activities." Father Hou's seminary was created with state approval in 1984 and now numbers four priests and 65 seminarians. Teresa Ying Mulan, deputy secretary of the CCPA in Beijing, said that she knew nothing of the incidents reported in Hebei, but acknowledged that some people in China were against the split with the Vatican.

The official press rarely mentions the existence of the "silent church" but China accused the Vatican in April of interfering in its internal affairs by secretly appointing provincial bishops and by maintaining official links with the nationalist Chinese in Taiwan. But in the past year or so China has made several overtures towards the Vatican, the most striking, according to Western diplomats, the release in June 1985 of the former bishop of Shanghai, Monsignor Ignatius Gong Pinwei, jailed since the 1950's for "high treason." Pope John Paul II has also made signs of goodwill towards China, and in July 1985 sent his "warm greetings to the noble Chinese nation" and added that the Vatican was "sympathetic to the commitment to modernisation and progress in which the Chinese people are engaged." China has set two conditions for normalising relations with the Vatican, a break in the Holy See's relations with Taiwan and an undertaking to respect the independence of the CCPA.

The article attacked the tendency of labelling the history-maker as virtuous and quoted Marx as saying that evil is the motive power of history.

In response to Li's point, Zhu Maxin said that "the masses make the history" is a philosophical affirmation of the people's role in history.

Another question dealing with the motivating force of historical development centres on the role of peasant uprisings in history. Dong Shuping of Zhejiang Academy of Social Sciences downplayed them, saying they largely slowed the pace of productivity in ancient China.

The re-evaluation of Confucius revealed nothing new. To redress the fierce criticism of the cultural giant of the nation, Kuang Yaming, former president of Nanjing University, published "Re-Evaluation of Confucius" last year. The book was later dismissed by noted scholar Cai Shangsi as one that overly praised Confucius.

Historic researchers appear slow in examining recent events. The first to explore the causes of the "cultural revolution" were social scientists from the Central Party School and in other fields in the Chinese Academy of Social Sciences, rather than historians. They have turned out "The Criticism of the Gang of Four" by Lin Wei, "On the 'Cultural Revolution'" by Yan Jiaqi.

Their slow response can be traced to a fear that grew during the "cultural revolution," when historical research was merely used as a tool of political struggle. They are determined to keep it from politics.

Some young historians disagree with them again on this point. They argued that historical study was deformed by politics in the past, but that does not mean that the two should be completely separated now. Current economic reform and the endeavour to revive Chinese culture have exposed many empty spaces for historians to fill in - the history of Sino-foreign relations, of culture, of legal system, of the psychology of nationalities and the philosophy of history.

To the country's consolation, many scholars are coming to understand that historical study in China is very narrow, in the comparison with the rich heritage of Chinese history and the everchanging world. The old and young historians are now seeking a good research method that will suit both. After they really find one, should the country anticipate a flourish of historical research?

GUANGMING RIBAO ON LABOR FORCE BEING COMMODITY

HK160413 Beijing GUANGMING RIBAO in Chinese 7 Sep 86 p 3

[Article by Zhuang Hongxiang [8369 7703 3276]: "The Recognition of the Labor Force as a Commodity Will Not Cause the Negation of the Socialist System"]

[Excerpts] In a society under commodity economy conditions, the labor force should also take on a commodity nature. Careful study will help us understand that recognizing the labor force under socialist conditions as being a commodity will not cause the negation of the socialist nature of the economic system. [passage omitted]

The labor force under capitalist conditions is a commodity, as is the labor force under socialist conditions, because it has the dual nature of use value and value. The labor force under these two systems can generally be referred to as a commodity. The difference is this: Under capitalist conditions, of the two sides to the exchange, one is the proletariat and the other is the capitalists, who possess the means of production and carry out the exploitation of surplus value through the purchase of the labor force as a commodity. This is a specific characteristic of the labor force being a commodity under capitalist conditions. Under socialist conditions, of the two sides to the exchange, one is the socialist laborers who sell their labor force and the other is the enterprises under collective ownership or ownership by the whole people. This is a different specific characteristic of the labor force being a commodity. In other words, under socialist conditions, the labor force being a commodity has its own characteristics, and this should not cause the negation of the general concept that the "labor force is a commodity."

A traditional idea says that as masters of the means of production, workers in enterprises under ownership by the whole people can have a direct link with the means of production but cannot sell their own labor force to themselves. Therefore, their labor force is not a commodity. This is a one-sided idea. It takes a naive view of society and overlooks the relationship between social interests and the social structure. In capitalist society, the combination of the workers' labor force with the means of production is realized through capitalist employment of the workers. In socialist society, although the means of production are under public ownership, they are not directly combined with the labor force in a simple manner. This combination is realized through recruiting and hiring, with one side paying the wages and the other hiring out the labor force. This selling and buying of the labor force is characterized by the fact that an enterprise comprising combined laborers is also owned by these laborers. Although laborers are the elements constituting this body, an individual laborer cannot be equated with this body. The seller and buyer of the labor force are two different legal persons. The combination of the labor force with the means of production is realized through the exchange between these two legal persons. This is not combination in a direct and simple manner. [passage omitted]

Real, direct combination exists only in individual labor and individual operation, where an individual laborer is the owner of his labor force, the independent possessor of the means of production, and the owner of the products. In this case, his labor force is not a commodity. The saying "master cannot sell their labor force to themselves" is applicable only to this case.

However, there exists the following dual nature: In terms of being owners of the labor force, laborers under socialist conditions are the sellers of the labor force. This is one aspect of this nature. In terms of being members and masters of the collective, laborers are the buyers of the labor force. The collective these laborers are members of buys not only the labor force of these laborers, but also the labor force of other laborers. The combination of the socialist labor force with the means of production is realized in this dual nature characterized by laborers simultaneously being the buyers and sellers of the labor force.

The concept that "for the labor force of laborers to become a commodity, laborers must give up the means of production and nonlaborers must own the means of production" accorded with the specific conditions during the transition from feudal society to capitalist society, but is no longer applicable to the present situation, which is characterized by the fact that a laborer does not independently possess the means of production and products and also exchanges his labor force with other laborers according to the principle of exchange of equal labor. For the labor force to become a commodity, two conditions are necessary. [paragraph continues]

One is that laborers do not independently possess the means of production and products and the other is that they exchange their labor force according to the principle of exchange of equal labor. If laborers jointly possess the means of production and products but do not exchange their labor force according to the principle of exchange of equal labor, the labor force will no longer be a commodity. But this will be realized in a communist society with a product economy and not in a socialist society with a commodity economy.

What we said in the past, that the socialist labor force was not a commodity, was related to a socialist society without a commodity economy, as predicted by Marx and Engels. At present, we are still in a society with a commodity economy. Although it is a planned commodity economy under public ownership, it is, after all, a commodity economy. Therefore, this remark is no longer applicable.

In a society with a commodity economy, the labor force must be a commodity. The reason is that since social products are commodities, the materialized and animate labor which constitute the cost of commodities must be a commodity. If the cost contains noncommodity factors, the product is not a pure commodity. The commodity economy will not develop if the law governing it is not observed. Therefore, the labor force being a commodity is determined by objective economic law. [passage omitted]

RENMIN RIBAO COMMENTS ON LABOR CONTRACT SYSTEM

HK171105 Beijing RENMIN RIBAO in Chinese 15 Sep 86 p 2

["Roundup of Letters and Manuscripts (Part 1)": "The Labor Contract System Brings Vitality"]

[Text] Editor's note: The editorial department of this paper has lately received many letters and manuscripts from our readers dealing with their understanding of the reform of the labor system. We shall sum up the essence of these letters and publish them in succession, so that our readers may have a better understanding of the reaction to this reform among the masses. [end editor's note]

Until now, the labor contract system has been implemented on an experimental basis among 3 million workers, and some helpful exploration has been conducted in the reform of the employment system. Many letters and manuscripts say that the implementation of the labor contract system and the reform of the employment system have brought vitality to enterprises.

Mutual Selection Is Fine [subhead]

In employment, the silk factories, textile factories, and building companies of Funing, Jiangsu often failed to get what they wanted from the personnel department, with those who had no desire to work there employed, and those who wished so rejected. Hence, difficulties were great in labor administration. Since the implementation of the labor contract system on an experimental basis, these factories have employed more than 800 workers based on the labor contract system, and the employers and employees have made explicit their corresponding rights and obligations in contracts. The enterprises employ the fittest, and the workers are satisfied with the professions they have chosen. As a result, the production efficiency and economic results of these factories have risen by a wide margin.

The same situation took place in Yunnan Provincial Building Engineering General Corporation, as well as Guangdong Maoming Petroleum Chemical Industry Corporation. When the permanent employment system was implemented, the enterprises had a "rather small contingent of workers and staff on the production forefront, but a large contingent of workers and staff in the rear-service departments, which was burdensome," and there were difficulties in "employment, upgrading, mobility, and flexibility" of the workers contingent. Since 1982, Yunnan Provincial Building Engineering General Corporation has employed more than 1,500 contract workers, in addition to a number of short-term peasant-workers rendering labor service, which has enabled the building enterprises to increase the number of workers by 21 percent on the production forefront, keeping a balance in employment. These newly employed contract workers have good qualities, with a high rate of attendance; they have strengthened the capability of the enterprises to adapt to changes, and upgraded labor efficiency. Over the past few years, this general corporation has kept its growth rate of building output value above 10 percent. Maoming Petroleum Chemical Industrial Corporation has likewise employed some contract workers. The workers have volunteered their types of work, and their work posts are fixed according to contract. Thus, the long-standing, big, and difficult problem of personnel on the production forefront retreating to the second or third line is solved, and the employment of workers on the production forefront has been guaranteed based on the system.

It Is as Much a Pressure as a Motive Force [subhead]

It is universally mentioned in the letters that under the permanent employment system, people were "eating from the same big pot" with their "iron rice bowls," and they used to have a serious mentality of relying on the enterprise. The labor contract system has reformed such malpractices, and stimulated the enterprising spirit of workers and staff. Shanxi Polyamide Factory has adopted the principle of "putting an advertisement in public, signing up on a voluntary basis, going through overall examination, and employing the fittest," and employed more than 200 contract workers over the past 2 years. Every one of them has been working hard to make progress and to master the skill, and their work performance is fine, with 36 of them appraised as model workers of the factory. Anyang Electronic Tube Manufacturing Factory now has more than 300 contract workers, and they have become backbones in production and activists in study. Seeing the enthusiasm of contract workers, some permanently employed workers in this factory who are rather low in cultural and technical background said with deep feelings: "We have drifted along without an aim for half our lifetime, 'iron rice bowl' in hand. Had the labor contract system been implemented earlier, we wouldn't have come to this, capable of doing nothing significant."

The signing of labor contracts involves the determination and regulation of the labor relations between the enterprise and the workers and staff through legal and administrative means, such as type of work post, term of employment, wage and fringe benefits, labor insurance, and contract termination. The responsibility, rights, and privileges of the contract workers are all explicitly defined. Once the contract is signed between the enterprise and the labor, they will both act according to it, which is as much a pressure as a motive force. At the workers-peasants glass works of Jiamusi, Heilongjiang, out of more than 700 contract workers, 23 were fired for violating discipline. This has also served as a lesson to other contract workers, with the majority doing a better job as a result.

Workers View Contract System

HK230705 Beijing RENMIN RIBAO in Chinese 19 Sep 86 p 2

[**"Roundup of Letters and Manuscripts (Part II)": "Voices of Contract Workers"**]

[Text] Is the labor contract system good? Those who are best qualified to answer this question are contract workers who have been employed in recent years. What do they think about this issue? From their letters and articles, we know that although some of them have complained that some work was not done sufficiently during the reform on a trial basis, most of them believe that the system is good.

In Anyang City, there are more than 320 enterprises and establishments. Over the past 4 years or so, they have recruited approximately 11,000 contract workers. Not long ago, the city invited some contract workers to attend a discussion. All the participants spoke their minds freely. Some said that the labor contract system truly embodies the principle of distribution according to work. Some said that with the implementation of the system, workers could act on their own to choose their jobs. Some others stressed that they were steadfast in their work because of the guarantees of contracts and backup by social insurance. Hao Huijun, a contract worker in a forming workshop of the city's Rubber Plant No 1, was recruited in April 1983. She said: "What I first heard the word 'contract,' I felt that it was a great pressure on me. However, contract workers are treated differently on the basis of their work performance. People pay attention to their technical skills. Their wages are paid in grades. In such a way, a 'contract' has become a 'motivating force'. Instead of 'playing for time,' I did my best to 'win credit.' I successfully completed the 5-month apprenticeship in 3 months. Over the past 3 years, I have never been absent. I have never produced defective goods. I overfulfill production targets every month and have been chosen as an advanced worker every year. I have been promoted every year. At first, people looked down on me. Later, when they found that I work superbly, they praised contract workers as high-minded people." A number of contract workers stressed: In the past, the "iron rice bowl" bred lazybones. Nowadays people pay attention to our true skills and we are compelled to study information and technology. Otherwise we face the danger of being eliminated. This will spur us on.

Whether the reaction of contract workers is good is closely related to the work of local governments and enterprises. In places where relations between contract workers and permanent workers are correctly handled in the course of implementing the labor contract system on a trial basis, that is, where contract workers are treated equally without any discrimination in terms of political treatment, welfare, and training, the reform of the employment system will be smoothly carried out. A driver at the Qingdao state-operated cotton mills No 10 was a contract worker. Someone in Laoshan county intended to employ him at a high wage. After weighing the pros and cons, he preferred to remain working at the cotton mill as a driver. He said that when he looked forward, he felt he had good prospects. When he looked back, he did not see any trouble. He gave up the higher wage and continued to work well at the mill.

It is true that when enterprises first started implementing the labor contract system on a trial basis, some contract workers felt "insecure." How should we deal with this? Contract workers in supply and marketing cooperatives of Hebei's Yutian County gave an interesting answer: "It is precisely such 'insecurity' which prompts us to foster a sense of self-respect and self-esteem, conduct ourselves with dignity, and make unceasing efforts to improve ourselves. [paragraph continues]

"We have to find time to gain professional proficiency. When we have mastered sufficient skills and acquired strong abilities, the 'insecured' feeling will gradually disappear."

RENMIN RIBAO COMPARES LABOR CONTRACT, WAGE LABOR

HK240037 Beijing RENMIN RIBAO in Chinese 23 Sep 86 p 2

[Article by Bao Tian [1405 3944]: "The Labor Contract System and the Wage Labor System Are Different in Nature"]

[Text] Editor's Note: Since the State Council made public the four regulations on implementing the reform of the labor system in state-run regulations on implementing the reform of the labor system in state-run enterprises, many readers have written to ask: What are the differences between China's existing labor contract system and the capitalist wage labor system? Now we publish this article for your reference. [end editor's note]

The labor contract system is now implemented among workers and staff newly recruited in China's state-run enterprises; this is a step forward of great significance in the reform of the labor system.

The labor contract system is the offspring of the commodity economy, and modern socialized mass production has further developed it. Superficially, the general process of signing, changing and terminating a contract is similar both in capitalist and socialist countries. But why should many countries have adopted the form of labor contract to embody the labor relations between the workers and enterprises?

First, the material and technical base of modern socialized mass production is forever changing. With the readjustment of the industrial structure, huge volumes of funds, technical know-how, and labor forces will transfer from one department, trade and enterprise to another, shaping the social flow of funds, technical know-how and enterprises. At the same time, more and more advanced technology and equipment are used in production, and the demands on workers' technical capabilities are forever upgraded, while the enterprises demand the maintenance of relative stability of technical workers. Such unity between the stability and flow of labor forces is determined by socialized mass production. Under the conditions of socialized mass production, both in capitalist or socialist countries, this law is followed in handling affairs, in order to ensure the normal progress of production. The labor contract system is a rather good form to embody the unity between the stability and flow of labor forces.

And second, with the continuous development of the commodity economy, credit and contracts are effective means of linking the economic relations between commodity producers, have continuously become complete, perfect and universal. In the everchanging modern commodity economy, the supply and demand relations of labor forces often change with the changes in production. Such changes are inevitably reflected in the integration of labor forces with production means. This integration should be flexible; otherwise, it will fail to meet the requirements of commodity production; and labor contracts can better show such flexibility.

China's industry has entered the stage of socialized mass production; however, in labor administration, the permanent employment system characterized by "the state monopolizing the distribution of jobs" was implemented over a long period of time. Practice has proved that this does not conform to the requirements of planned commodity economy under the condition of socialized mass production, and the vitality and vigor inherent in the socialist labor system could not be given full play. [paragraph continues]

Having summed up our positive and negative experiences, especially the experiments in the labor contract system in recent years, and absorbed and referred to foreign methods useful to us, we have resolved to implement the labor contract system based on China's national conditions. Such a system will ensure the rights of both the workers and staff and the enterprises to mutually select each other, help overcome the malpractices of the "iron rice bowl" and "eating from the same big pot" invigorate labor administration, and promote the development of productive forces.

Superficially, it seems that there is little difference between China's labor contract system and the wage labor system in capitalist countries. This has led to misunderstanding among some comrades. A question of how to look at the nature of things is involved here. The differences in nature between socialist labor contract system and capitalist wage labor system can be cited as follows:

First, the two labor systems are based on different ownership systems, and embody different production relations. The wage labor system under capitalist conditions based on capitalist ownership of production means. The laborers do not possess any production means, and the integration of labor forces with production means must be realized through the channel of trading in labor forces. The labor contract system under socialist conditions is based on public ownership of production means. The laborers are masters of the production means, and their integration with production means is not realized through the form of labor trading but is determined and regulated by means of the labor contract. Therefore, it is favorable to consolidating the public ownership of production means and implementing the principle of distribution according to work, and serves to reflect socialist production relations.

Second, the two have different purposes. The capitalists continuously purchase labor forces and consume this special commodity in the process of production. Their aim is to obtain surplus value far greater than the value of the labor forces themselves. The socialist labor contract system, on the other hand, aims to give play to the wisdom and intelligence of every laborer, and to the enthusiasm and creativity of the workers and staff in productive labor, to upgrade labor productivity and to create ever-growing social wealth in order to meet social needs, including the ever-growing needs of the material and cultural life of the laborers themselves.

And third, the two parties involved in a contract are different in their positions and relations. In capitalist wage labor relations, the capitalist class and the working class are in opposed positions. The employer and employee embody the relation between the exploiting and the exploited. Socialist labor contracts are signed between the two parties concerned on a voluntary basis through negotiation, and their positions are on an equal footing. The laborers as masters of the country should perform their duty and obligation, and at the same time enjoy corresponding privileges. Through signing and implementing the labor contract, responsibility, power, and interests are combined into one, and so is the worker's labor for the state, the collective, and himself. Therefore, the labor contract system is an effective legal form which serves to ensure the equal rights of the laborers, to set up a correct labor relation between enterprises and workers and staff, and to solve the contradictions of the two parties concerned. It helps to strengthen the workers' sense of responsibility as masters of the country, and gives play to their initiative and creativity.

GONGREN RIBAO ON MAJOR LABOR SYSTEM REFORM

HK231420 Beijing GONGREN RIBAO in Chinese 10 Sep 86 p 1

[Editorial: "A Reform of Vital Significance"]

[Text] The State Council has promulgated four sets of official regulations on the reform of the labor system in state-owned enterprises. This represents a major reform of the labor system since the founding of the people's republic. It is an indispensable step and an important aspect of the overall economic structural reforms. It is of great significance and will play a great role. As the main force of reform, the working class of China should consciously participate in reform in this regard and guarantee its smooth development.

Our country's existing labor system, which ensures permanent jobs for workers employed by state-owned enterprises, was formed under particular historical conditions, and has played a positive role in the past in guaranteeing employment and promoting economic construction. However, it has also revealed many defects with the development of our social conditions. Since the 3d Plenary Session of the 11th CPC Central Committee, the party and the government have taken measures to develop a variety of ownership forms, and have taken some steps to reform the labor and employment system in cities and towns. Employment problems left over by history have been basically solved. On the basis of these measures, some localities have begun to carry out some pilot projects of reforming the labor system by replacing the permanent employment system with the contract employment system. At present, there are 3.5 million workers employed under the contract employment system in all parts of the country. The trial reform of the labor system has achieved good and remarkable results, which show that such reform is necessary and that we have the conditions for carrying out such reform.

The fundamental purpose of our economic structural reform is to develop the planned socialist commodity economy. Through reform, enterprises will become relatively independent commodity producers and dealers, which have the power to decide their own management and business affairs. Among the enterprises' powers to handle personnel and financial affairs and to handle production, marketing, and materials supply, the power of personnel management is quite important. However, under the existing permanent employment system, enterprises are overstaffed; labor discipline there is slack; and labor productivity is low. Without reforming the labor system, it will not be possible to really expand the decision-making powers of the enterprises, to strengthen enterprise management, and to raise their economic efficiency and competitive power.

The reform of the labor system will not only be beneficial to the state and enterprises, but will also be beneficial to workers themselves. As people all know, the system under which a lifelong job is assigned to a worker once and for all often makes people unable to display their strong points and learning in their work. Laborers do not have the right to select jobs under certain conditions. This prevents people from giving play to their wisdom, resourcefulness, creativity, and initiative. The "iron rice bowl" of the employment system and the "big pot" of the distribution system only make people lazy, because they think that it will make no difference whether or not they work hard and produce more things and because they do not feel any work pressure. Under such a labor system, not only will enterprise leaders have a headache, all workers with a sense of responsibility will be displeased. [paragraph continues]

Reform practice has shown that the "iron rice bowl" and the "big pot" do not represent the superiority of socialism; the old concept that people's employment is all guaranteed and arranged by the state is no longer suited to the new situation; it is normal that people do not feel that their jobs are completely secure, as this will just prompt people to work harder and make better progress; and all people must be responsible for their own work and be able to face any risk concerning their jobs so as to adapt their personal abilities to the requirements of the commodity economy. The reform of the labor system is not only in line with the long-term and fundamental interests of workers in general, but is also in line with their immediate interests.

The focus of the current labor system reform is to reform the employment and worker recruitment systems. That is, all new workers henceforth employed by state-owned enterprises will be subject to the contract employment system; and the practices of children taking over the jobs left by their retired parents and of enterprises hiring new workers through internal channels will be abolished. Enterprises must openly recruit new workers from among the public through advertising for workers and examining job applicants. In addition, enterprises will have the power to dismiss workers who violate labor discipline and will have the duty to establish and implement the employment insurance and pension systems. Reform in this regard will involve a wide range of work and requires accurate implementation of all relevant policies. All workers in our country must resolutely break with the old traditional concepts and habits, must firmly stand in line with the development of the overall reform and the socialist commodity economy, and must form a new-type labor force with new ideas, competitive power, and full adaptability. They should view the reform from this standpoint and promote this reform. We believe that this reform will certainly add new vitality to our enterprises and add new incentive to our worker contingent.

This reform also puts forth new requirements on the work of our trade unions and gives them new tasks. Trade unions at all levels should fully understand the necessity and importance of the reform of the labor system by seriously studying the relevant documents, and should have a good command of the relevant policies and regulations. Trade union cadres should go among the working masses to do propaganda and ideological education work. They should help the masses overcome the influence of the outmoded ideas which are not in line with the developing situation so as to ensure the smooth implementation of the new labor system. At the same time, trade unions should also study the new situation and various new problems in the implementation of the new labor system, and should promptly put forth their positive opinions and proposals. If the trade unions do a good job in this regard, they will fully play their role and help the labor system reform develop smoothly.

SHANDONG CPPCC STANDING COMMITTEE MEETING ENDS

SK240835 Jinan Shandong Provincial Service in Mandarin 2300 GMT 23 Sep 86

[Text] The 17th Standing Committee meeting of the 5th provincial CPPCC Committee ended on 23 September. At a plenary meeting held in the afternoon, a resolution on resolutely safeguarding the socialist legal system and a decision on establishing the provincial CPPCC Work Group Committee were adopted. Ding Fangming was appointed chairman of the Work Group Committee, and Xu Wenyuan, Zheng Weimin, Jin Baozhen, and Liu Yong were appointed vice chairmen.

The meeting also adopted a report on the appointment and removal of personnel of the relevant departments. Ding Fangming currently holds the post of chairman of the Cultural and Historical Data Research Committee of the provincial CPPCC Committee, and Zhang Ming is vice chairman. Liu Yong currently holds the post of chairman of the Motions Examination Committee of the provincial CPPCC Committee, and Yuan Chengen serves as vice chairman. Zheng Weimin currently holds the post of vice chairman of the Study Committee of the provincial CPPCC Committee, and (Liang Feng) and (Huang Shulin) serve as vice chairmen. Jin Baozhen and Yang Da currently hold the posts of vice chairmen of the Reunification of the Motherland Liaison Committee of the provincial CPPCC Committee.

Li Zichao, chairman of the provincial CPPCC Committee, gave a speech at the end of the meeting. He held that the meeting has successfully completed the task of studying the legal knowledge and through study, the committee members have further enhanced their understanding of the significance in strengthening the building of the socialist legal system, intensified their sense of the legal system, and enhanced their legal knowledge level.

SHANGHAI FACTORIES ISSUE APPROVED STOCKS

OW240350 Beijing XINHUA in English 0248 GMT 24 Sep 86

[Text] Shanghai, September 24 (XINHUA) -- A total of 749 factories in Shanghai, China's leading industrial center, are issuing stocks with the approval of the People's Bank of China, city officials told XINHUA today.

The local government is studying the feasibility of opening a stock market as part of the effort to change the present financial system under which the flow of funds is controlled almost exclusively by government banks.

The majority of the factories are collectively-owned, the paper said, adding that the Shanghai Vacuum Electric Engineering Company was the first state-owned enterprise to issue stocks. The company extended shares worth more than 40 million yuan earlier this month, the officials said.

Earlier last year, the Shanghai Yanzhong Industry and Commerce Company issued stocks worth five million yuan. Following its lead, other enterprises began to float stock and so far a 100 million yuan has been raised through the stock offerings. With part of the money, enterprises have started 100 service facilities, including restaurants, hotels and repair centers.

Investors are beginning to see some return as a number of companies have paid dividends and bonuses to their shareholders. The stock offering have not only turned cash, which would normally sit idle in bank accounts, into productive funds but has also strengthened cooperation between enterprises, the officials commented.

GUANGDONG'S ZHUJIANG DELTA EXPORT ORIENTED

HK240243 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0827 GMT 23 Sep 86

[Report by correspondent Zhu Shan [2612 1472]: "The Zhujiang Delta Develops Export-Oriented Township and Town Enterprises"]

[Text] Guangzhou, 23 September (ZHONGGUO XINWEN SHE) -- The export-oriented township and town enterprises developing in the Zhujiang Delta have received more and more attention. The relevant department of the State Council is currently carrying out research with a view to providing a sound basis for the formulation of the policies on invigorating the mainland's rural economy.

Some personages in economic circles call such a method of developing township and town enterprises the "Zhujiang Delta Model." Quite different from the "Southern Jiangsu Model" and the "Wenzhou Model," which mainly deal with the domestic market, the township and town enterprises in the Zhujiang Delta take advantage of bordering the Hong Kong and Macao regions. They are able to obtain fast and accurate market information and enjoy all the preferential policies towards the "economically open zone" so that they mainly depend on inviting foreign funds and importing advanced foreign technologies and equipment in their own development and most of their products are exported and sold on the Hong Kong and Macao markets and overseas markets as well.

The use of advanced foreign technologies and equipment has changed the backward small-scale production method used by the township and town enterprises in the Zhujiang Delta in the past and has greatly raised their production standard.

Over the past few years, the township and town enterprises in Foshan City, Jiangmen City and Dongguan City in the Zhujiang Delta alone has imported 180,000 items of advanced foreign equipment. Two-thirds of the 90,000 items of equipment recently updated in the town and township enterprises of Foshan City are imported from foreign countries. Dongguan City has already set up more than 1,900 town and township enterprises engaged in processing with supplied materials and samples and assembling with supplied parts as well as doing compensation trade with a business income totalling over U.S. \$0.235 million.

Now, the township and town enterprises in the Zhujiang Delta have become the "backbone" of Guangdong's export industry. The electronic products, household electrical appliances, clothes, toys, food, magnetic materials and so on, produced by the town and township enterprises in the Zhujiang Delta are all best-sellers on the overseas markets. Now, most of the electric fans exported by Guangdong Province are made in Nanhai and Shunde Counties. Last year alone, the Guizhou District Electric Fan Factory of Shunde County exported a total of 400,000 oscillating electric fans which were sold to 35 countries and regions. Now, Shunde County has become one of the main electric fan export bases of Guangdong Province. The various types of clothes produced by the Jiujiang District clothing factory of Nanhai County are now sold to more than sixty countries and regions in Europe and America.

According to the statistics of the relevant department, the population of the Zhujiang Delta accounts for only 60 percent of the total population of Guangdong Province while the income of the township and town enterprises in the Zhujiang Delta accounted for 56 percent of the total income of the township and town enterprises of the whole province last year.

KAIFANG ON 'IMPORTANT EXPERIENCE' OF GUANGDONG

HK240453 Guangzhou KAIFANG in Chinese No 8, 8 Aug 86 pp 2-4

[Article by Yi Yan [1355 6056]: "An Extremely Important Experience"]

[Text] During the Sixth 5-Year Plan, our province made encouraging achievements in every aspect of national economic and social development. This is one of the most thriving periods in Guangdong's history. How was such enormous achievement made in this period? One of the extremely valuable experiences is that we steadfastly implemented the special policy handed down by the central authorities and took an early first stride in reforming and opening up.

The people of Guangdong have profound feelings for the special policy. Following the 3d Plenary Session of the 11th CPC Committee, our country began exploring a new path in economic construction that is adapted to China's conditions, as well as suitable for carrying out fundamental reforms of the economic structure. At that time, the central authorities made an important decision that allowed the two provinces of Guangdong and Fujian to implement special policies and flexible measures, thus giving our province more initiatives. The provincial committee summarized the contents of the special policies into three sentences: Open up more to the outside world, adopt more flexibility within the province, and designate more authority to subordinates. In the last 5 years, under the correct leadership of the provincial committee and in line with the spirit of these "three more," the people in the entire province vigorously carried out reforms, boldly but effectively applied the special policies, overcame many obstacles, and finally opened up a new situation for our province which won attention both inside and outside the country.

The question today is whether our province should continue to adhere to the special policies which were proven successful by past practice. The answer of our province's cadres and people to this question is affirmative. The central authorities have also reiterated that the guidelines for the two provinces to implement special policies are unshakeable. In March 1985, the State Council encouraged the two provinces to continue to carry out special policies and flexible measures in the next 5 years (until 1989). However, an extremely small number of comrades believe that the implementation of special policies and flexible measure is only "an expedient measure" during the Sixth 5-Year Plan and that there would be no such need during the Seventh 5-Year Plan. There are still some comrades who think that while special policies are good ideas, their implementation is too difficult, and they fear such difficulty. While the views of these comrades do not represent the main trend, however, as the people of the entire province enter the Seventh 5-Year Plan today and are to continue carrying out the special policies, there is still need to reaffirm the objective and significance of implementing special policies.

As early as 1980, the central authorities had clearly pointed out that the objective is to bring into full play the superiorities of Guangdong and Fujian, let them take the first step in reforms and opening up, explore a path for the country's economic construction and structural reforms, accumulate experience, and train cadres. It can be seen that in making such a decision, the central authorities began not only by proceeding from the realities of the two provinces, but also by keeping an eye on overall interests. In other words, it is not only beneficial to the two provinces, but also advantageous to the entire country.

Guangdong possesses many special and favorable conditions for accelerating economic development: Its location along the coast, moderate climate, rich resources, proximity to Hong Kong and Macao, numerous Overseas Chinese, comparatively more developed foreign trade, facility in the introduction of technology, sensitive economic information and data, cadres more familiar with economic affairs and more efficient, and so on. However, in the 30 years since the founding of the PRC, owing to the disruption and sabotage caused by "leftist" ideologies, as well as to the restraining factors in structure, policies, and others, these exceptional advantages were not given full play. For a long time, the rate of economic growth in Guangdong fell behind that of the national average. Only after the 3d Plenary Session of the 11th CPC Central Committee were these excellent conditions able to demonstrate fully their tremendous might, and only then did Guangdong's economic construction take off and herald its golden era since the founding of the PRC.

The land remains the same, the people are the same, so the key to the enormous transformation of the situation lies in the implementation of the special policies issued by the central authorities. This is the concrete result of Guangdong's people carrying out the line, directives, and policies of the party since the 3d Plenary Session of the 11th CPC Central Committee. The quintessence of the central authorities' special policies for Guangdong is in the word "special." Theoretically speaking, it accords with the party's ideological line of seeking truth from facts and always proceeding from realistic conditions. Speaking of the working line, it adheres to the principle of believing in the people, relying on the people, and respecting the creative spirit of the people. Methodologically speaking it embodies the dialectical viewpoint of classified direction, adapting to local conditions, and letting a portion of the areas prosper first in order to lead the way for the rest of the country. This move of special policies for regions with special conditions conforms with the principles of Marxist theories, with the party's line and working methods, and with the realistic conditions in Guangdong. Thus, it will naturally stimulate greatly the zeal, initiative, and creativity of the cadres and people of our province, and in turn, vigorously promote the development of Guangdong's productivity.

Implementation of special policies by the two provinces is also of great significance to the entire country. Shortly after the 3d Plenary Session of the 11th CPC Central Committee, when the country has yet to launch overall reforms, the central authorities decided that the two provinces would go ahead and carry out special policies different from the country's general structure. For a model that in the past has consistently stressed that the country enforce the same decrees and implement uniform policies, and for a people accustomed to the traditional concept of highly concentrated unity, this cannot but be a major breakthrough. Therefore, it prepared the country psychologically for the large-scale reform about to begin.

The carrying out of special policies by the two provinces also offers an experimental base for some of the reforms in the country. Many major reforms were first tested in the two provinces and later introduced to the rest of the country. To propagate these reforms immediately in the whole country is more difficult; to let the two provinces adopt them first and accumulate experiences makes it easier for the country to decide on them. To let the two provinces first probe the way is better than having the entire country march together. However, if the adoption of special policies were restricted to simply two villages, two factories, or two countries, their experiences would not often be sufficiently convincing. To carry out special policies within such a larger scope, as within the two provinces, is more suitable. The risk is not too big, and at the same time, they could provide experience that would better clarify problems.

Since Guangdong neighbors Hong Kong and Macao, while Fujian faces Taiwan and the Penghu Islands, implementation of special policies in the two provinces is also of great political significance. Just as the 1981 document from the central authorities points out, if the two provinces perform well, "then politically, it would also help reassure the people of Hong Kong and Macao, as well as win Taiwan's reunification with the motherland." At the same time, it would also demonstrate to the world China's steadfast stand and flexible move in opening up to the outside world, and serve as a "window" of our country's foreign policy.

It can be seen then that the central authorities' decision to let the two provinces implement special policies is correct. Its significance far exceeds the boundaries of the two provinces and extends to the entire country. It may even be said to produce a positive impact in the world. Just as Comrade Ren Zhongyi summed up on behalf of the people of the entire province following 5 years of implementing the special policies: "In the socialist modernization of a big country such as ours, the designation of two provinces to carry out special policies, be it theoretically or practically speaking, is of major significance" and "it made its historic contributions to our country's economic structural reforms and modernization." Therefore, this policy is definitely not an expedient measure, but a strategic measure is the overall plan, a major policy that has vigorous vitality. Comrade Deng Xiaoping once said: A policy that is favorable to enriching the people, to developing productivity, and to the construction of socialism with Chinese characteristics, this policy is a correct policy. Policies that are beneficial to the country and the people must be boldly upheld and steadfastly implemented. Since the implementation of special policies in the two provinces is correct as well as successful, why then should it not be adhered to?

At present, the country's economic structural reform and opening up to the outside world policy is being carried out thoroughly in a broader scope, and the entire country is emphasizing opening up, relaxation, and flexibility. It is even more necessary that the provinces of Guangdong and Fujian lead the way in opening up and relaxing controls. It should be said that the two provinces shoulder the glorious task of carrying out special policies, and that the burden is not light but has become heavier. Entering the Seventh 5-Year Plan, Guangdong should not be left behind, but should strive harder, boldly and fully apply the powers granted by the central authorities, further play up its own advantages, and win greater achievements.

Naturally, to implement special policies in the new situation, it is necessary to add new contents and methods, and not to copy indiscriminately old regulations and methods. In doing so, not a few difficulties would certainly come up. The situation has changed, and policies and measures that were effective in the past may no longer be so, and even if they have not reached this point, new problems may crop up in implementing them now. Demands put forth with the higher departments now may not be easily met for various reasons. This requires that, under the premise of submitting to the overall interest, we make full play of our own subjective initiative, work creatively, make thorough and detailed investigations and studies, adopt policies based on new conditions and in accordance with the realities in our province, and take concrete and effective measures. It also requires that we conscientiously reflect the conditions to the superiors, make prompt reports and seek advice, and positively win the support of relevant departments. When obstruction is encountered in the implementation of special policies, it is necessary to foster the innovative spirit of daring to blaze new trails, and positively carry out reform experiments. At the same time, it is necessary to be levelheaded, work with a serious scientific attitude, and make steady progress. In this way, difficulties will always be overcome. In the past few years, did we not progress in the course of continuously surmounting difficulties and thus open up a new situation?

HUBEI CONFERENCE ARRANGES WATER CONSERVATION

HK230544 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 21 Sep 86

[Excerpts] The 6-day provincial water conservancy work conference concluded in Wuchang on 20 September. The central subjects of the conference were relaying and implementing the spirit of the national forum on rural water conservation; in-depth analysis of the situation in agricultural production and water conservation in our province, focusing on persevering in reforms, strengthening reserve forces for developing agricultural production, and ensuring continuous, steady and coordinated economic development in rural areas in the new period; summing up and exchanging experiences; studying the guidance on further strengthening the capital construction of farmland and water conservation and the measures, policies, and principles which must be adopted; and making concrete arrangements for capital construction of farmland and water conservancy works in winter this year and spring next year.

Qian Yunlu, deputy secretary of the provincial party committee; Wang Hanzhang and (Han Nanpeng), provincial vice governors; and Xia Shihou, member of the Central Advisory Commission, attended the conference.

At the conference provincial party committee Secretary Guan Guangfu made six important points. They are as follows:

1. It is necessary to make a full appraisal of water conservancy work and to clearly see the existing problems.
2. Building good water conservancy facilities is after all an important issue in Hubei's agriculture.
3. Adhere to reforms in carrying out water conservancy work.
4. The focus of water conservancy work must be shifted to paying attention to economic results.
5. It is necessary to invest more money in water conservancy work.
6. It is necessary to strengthen leadership over water conservancy work, and more strenuous efforts should be made in this respect.

Qian Yunlu delivered a mobilization speech focusing on the basic idea and requirement raised at the national conference on rural water conservancy work, namely, water conservancy must be carried out; methods must be reformed; resuming our efforts, improving methods, and rallying our forces.

Qian Yunlu stressed that this is an extremely important conference, which has a direct impact on whether we can fully mobilize the masses to properly carry out water conservancy capital construction in the province, whether we can develop rural reforms in depth, and whether we can push agriculture to a new level and promote the national economy to develop continuously, steadily and in a coordinated way. He demanded that all areas, while opening up a new situation in water conservancy work, promptly understand the issue, make arrangements, mobilize people, and take early action to launch an upsurge of farmland and water conservancy capital construction this winter and next spring, with new vigor and a down-to-earth manner.

At the conference, Vice Governor (Han Nanpeng) spoke, and Vice Governor Wang Hanzhang delivered a summation speech. [passage omitted]

The conference clearly proposed that it is necessary to persevere in reforms so that the focus of water conservancy work can be shifted to paying attention to economic results. Only by carrying out water conservancy work in accordance with this guiding thinking, is it possible to develop good quality water conservancy quickly.

In accordance with this guidance, the provincial party committee and government held after study that during the Seventh 5-Year Plan, the province's farmland and water conservancy capital construction must focus on preventing floods and ensuring safety of water conservancy projects, on tapping the internal potential and on building small decentralized water conservancy projects. The tasks set in the province's plan are: To increase the effective irrigation area by 1 million mu; to increase the area exempt from floods by 1 million mu; to strengthen the flood-fighting capacity on 5 million mu of land; to increase the area of land which can ensure stable yields despite drought or excessive rain by 3 million mu; to improve 2 million mu of [words indistinct] land in mountain areas; to bring soil erosion under control on 40 million square meters of land; to increase the installed capacity of small hydropower production by 200,000 kilowatts; to solve the difficulty 1 million rural people have in getting potable water; and to carry out comprehensive operation of water conservancy.

To fulfill the tasks of the plan, the conference stressed that the focus of water conservancy construction must be put in the following 5 fields: Preventing floods and ensuring safety, draining water from flooded fields, conducting coordinated operation and management of irrigation, transforming low-yield land, and vigorously developing small scale farmland and water conservancy projects. [passage omitted]

To truly push the province's farmland and water conservancy capital construction to a new level, the conference particularly stressed that it is necessary to sum up experience and improve methods. Improvement should be made mainly in the following areas:

1. We must do everything in strict accordance with the law of economy and the law of nature, bring water under control in a scientific way, pay attention to cost accounting, and strive to achieve the best economic results with the smallest investment.

2. We must raise funds at various levels and through various channels so as to increase our investment in water conservancy. [passage omitted]

3. We must establish the accumulated labor system in water conservancy and bear reasonable burdens. [passage omitted]

4. We must further perfect the contract system in building water conservancy projects.

5. We must establish and perfect the rural grass-roots water conservancy service system. [passage omitted]

I. 24 Sep 86

PRC REGIONAL AFFAIRS
SOUTHWEST REGION

Q 1

SICHUAN SCIENCE, TECHNOLOGY CONGRESS OPENS

HK190207 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 18 Sep 86

[Excerpts] The Third Congress of the Sichuan Provincial Science and Technology Association opened in Chengdu on 18 September. [passage omitted] Present were leading comrades of the provincial party committee, Chengdu Military Region, the provincial Advisory Commission, Discipline Inspection Commission, People's Congress Standing Committee, government CPPCC, and Military District, and the China Science and Technology Association including Yang Rudai, Fu Quanyou, Jiang Minkuan, Nie Ronggui, Song Defan, (Tao Qingde), Xu Mengxia, and Yang Wanxuan. [passage omitted]

Provincial party committee Secretary Yang Rudai made a speech in which he expressed the hope that the comrades on the science and technology front throughout the province and the science and technology associations at all levels will continue to get a good grasp of the following work: 1) science and technology work must be unwaveringly geared to economic construction and serve the invigoration of the province's economy. 2) Give full play to the role of science and technology in building spiritual civilization and spur social progress. 3) Persevere in reform and make policy-making a scientific and democratic affair.

Chengdu Military Region Commander Fu Quanyou, and Governor Jiang Minkuan also spoke. (Xie Lihui), chairman of the provincial Science and Technology Association, delivered a work report on behalf of the second committee of the association.

XIZANG LEADERS VISIT VETERAN CADRES IN CHENGDU

HK190259 Lhasa Xizang Regional Service in Mandarin 1130 GMT 18 Sep 86

[Excerpt] Leading comrades of the regional party committee and government are warmly concerned for the retired veteran cadres. On 16 September, when passing through Chengdu, they convened a forum of veteran cadres in the Xizang office in Chengdu to express regards to those recuperating there.

Regional party committee Secretary Wu Jinghua, regional government Chairman Doje Cering, and regional party committee Deputy Secretaries Basang and Dangzin gathered with 25 veteran cadres who are staying at the Chengdu cadre recuperation center, to pass on information to them, hold consultations, and put forward ideas on Xizang's construction. [passage omitted]

YUNNAN CPC SECRETARY ON FAMILY PLANNING

HK240307 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 22 Sep 86

[Speech by Zhu Zhihui, Yunnan provincial party committee secretary, on 6th Anniversary of CPC Central Committee letter on population control -- recorded]

[Excerpts] The 25 September this year is the 6th anniversary of the CPC Central Committee's open letter to party members and CYL members on control of China's population growth.

Over the past 6 years, party members, CYL members, cadres, and masses in the province have actively responded through practical action to the CPC Central Committee's call on each couple to have only one child. This is of important significance in changing people's concept of birth, controlling excessive population growth, and upgrading the population quality. They have thus made contributions to the country.

By the end of 1985, over 200,000 couples in the province who are of child-bearing age and who have only one child had received 1-child certificates. The province's average annual birth rate during the Sixth 5-Year Plan decreased by 0.436 percent compared with that in the Fifth 5-Year Plan, and the province's average annual population growth rate during the Sixth 5-Year Plan decreased by 0.493 percent over that in the Fifth 5-Year Plan. The birth of some 714,000 babies was reduced during the 5 years. This has yielded remarkable economic results. For example, according to the per capita grain allotment of the province, the province can save 421 million jin of grain each year. [passage omitted]

In order to more effectively control the province's excessive population growth, to ease the child-bearing peak, to fulfill the population target of the Seventh 5-Year Plan, and to lay a foundation for controlling the province's population at 40 million by the year 2,000, the provincial party committee and government demanded in particular that all party members, CYL members, and cadres at all levels further study and implement the spirit of the open letter of the CPC Central Committee, understand that family planning is China's basic national policy, realize the great significance of each couple giving birth to only one child, respond to the call of the party and state, share the worries of the country, and bring benefits to the people. They must set an example by each couple giving birth to only one child and make contributions to controlling excessive population growth and to making the people rich and the country prosperous. All localities must launch a family planning publicity drive around 25 September, combine the publicity of the open letter of the CPC Central Committee with the publicity of the relevant documents of the central authorities, combine the publicity of the birth policy with further implementation of the population target set in the Seventh 5-Year Plan, and combine publicity of the results and social benefits of family planning with properly carrying out current family planning work. [passage omitted]

Effective measures should be adopted to control multiple births and unplanned births. The current family planning policies correspond with the province's reality, and we must earnestly implement these policies. We must continue to advocate the policy of each couple giving birth to only one child. The idea that family planning policy will be relaxed and the idea that each couple is allowed to give birth to a second child whether they are cadres, staff, workers, and urban or rural residents are wrong and groundless. They do not correspond with the spirit of our policies and regulations. [passage omitted]

In conclusion, I hope that all party members, CYL members, cadres, and the masses in the province will conscientiously respond to the call of the central authorities and make new contributions to controlling excessive population growth.

INSURANCE BUSINESS BOOMING IN XINJIANG REGION

HK230537 Beijing CHINA DAILY (BUSINESS NEWS SUPPLEMENT) in English 10 Sep 86 p 2

[By staff reporter Qin Xiaoli]

[Text] Urumqi -- When the People's Insurance Company of China moved into Xinjiang Uygur Autonomous Region in Northwest China five years ago, salesmen found themselves up against Huda, the Muslim spirit of protection.

"Local people had never heard of insurance before 1980," said Feng Zongliang, deputy general manager of the company's Xinjiang branch. "Even now, our staff have to go out knocking on doors to explain and sell insurance."

Despite the obstacles, business has been growing rapidly. Premium income jumped from one million yuan in 1980 to 29 million yuan in the first seven months of this year.

About three-quarters of the premiums come from motor vehicles. The remainder covers business and personal property, pension insurance, foreign trade transport policies and 30 other kinds of policies.

Pension insurance for workers in collectively owned factories, passenger safety insurance and third person liability insurance are compulsory in Xinjiang as in most of China.

The claim rate was about 40 percent between January and July this year -- lower than in most other provincial branches.

"There are few claims from property policies because Xinjiang has fewer natural disasters than other places in China," Feng said. "Factories are scattered across the desert, and most houses are made of brick and mud. Fire hazards are few and floods infrequent."

"Geography makes it difficult for us to expand business property insurance," Feng said. Only 40 percent of factories are covered.

He predicted that motor vehicle insurance will remain the pillar of the branch's business while urban personal property insurance will grow rapidly. Advertising for household property insurance can be seen everywhere in Urumqi, capital of Xinjiang.

Joint ventures using both Chinese and foreign capital are good insurance customers because their overseas partners are accustomed to buying insurance, said an insurance official in the branch. The biggest in that category are the \$27 million Tianshan Wool factory and the \$20 million Global Hotel, both joint ventures with Hong Kong, and the \$40 million Xinjiang Fine Cotton Factory, a Sino-U.S. venture.

"Farms are a big, relatively untapped insurance market," Feng said.

The branch is now experimenting underwriting livestock, cotton and wheat.

"We still have to decide a premium rate low enough to attract farmers, but not so low that we risk losses," he said.

"Agricultural underwriting will require a larger number of professional staff simply because of geography," he added. Xinjiang accounts for one-sixth of China's land mass.

The branch now has 835 employees in more than 40 counties, half are in Xinjiang. About 110 employees belong to minority nationalities; the rest are Han Chinese.

Xinjiang has 13 minority nationalities, the biggest bloc being Uygurs. The company has to work in two or more languages. All documents must be translated and staff training must be geared to different cultural traditions. Feng said the branch plans to increase its staff to 1,000 by year's end.

XINJINAG MEDICAL COLLEGE CELEBRATES ANNIVERSARY

HK230607 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 22 Sep 86

[Excerpts] This morning, the Xinjiang Medical College's 5,000 teachers and students of various nationalities gathered to celebrate the 30th anniversary of the founding of the college.

Party and government leaders of the region including Ba Dai, Mao Dehua, Mayinuer, Fu Wen, Li Jingxuan, Feng Da, Anniwaer Hanbaba, and Wang Shizhen, as well as responsible people and representatives of the departments concerned attended the gathering and expressed congratulations to the college. [passage omitted]

Mao Dehua, vice chairman of the region and chairman of the regional Education Commission, delivered a speech at the gathering. He spoke highly of the achievements made by the college over the past 30 years. He hoped that the college's teaching staff would make joint efforts and cultivate for the region more qualified medical personnel with good ideology and professional training.

On 19 September, the regional leaders including Wang Enmao, Song Hanliang, and Tomur Dawamat inspected the college and visited some teachers and cadres.

I. 24 Sep 86

C H I N A
PRC MEDIA ON TAIWAN AFFAIRS

U 1

HUBEI COURT SENTENCES TAIWAN 'SPY' TO PRISON

HK220233 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 20 Sep 86

[Text] With the active assistance and support of the masses and units concerned, Wuhan City's Public Security Bureau and state security organ cracked a major KMT [Kuomintang] spy case. Taiwanese spy (Li Geng) was sentenced to 13 years imprisonment by the city Intermediate People's Court. He was also deprived of political rights for four years. Undercover enemy agent (Li Wei) was dealt with in another case.

(Li Geng), a 46-year-old-male, was formerly a clothing factory worker at Transportation Center No 4, Wuchang District, Wuhan City. In September 1984, on the excuse of inheriting property, he left the city and settled down in Macao. Upon arrival in Macao, he immediately threw in his lot with the KMT spy organ there. He joined the organ and was appointed so-called head of the Wuhan communications center, thereby becoming an important KMT figure in Macao. Since last year, (Li Geng) snuck into Wuhan on several occasions to collect political and economic intelligence, recruit new spies and contact undercover spies.

(Li Wei), a 34-year-old male, was formerly a worker at the Wuhan Electrical Tool Factory. In October 1985, he was recruited as a spy by (Qi Song) and (Li Geng) and began his covert spying activities in Wuhan. He stole restricted information in the city and gave it to Taiwan's KMT spy organ.

In February this year, both were caught by the city's Public Security Bureau and state security organ while they were engaged in spying activities.

TAIWAN PUBLISHES WORKS OF MAINLAND WRITER

OW191200 Beijing XINHUA in English 1047 GMT 19 Sep 86

[Text] Beijing, September 19 (XINHUA) -- The tests of a contemporary Chinese mainland writer have been published for the first time in Taiwan, according to newspapers and periodicals issued on the island.

Zhong Acheng's three medium-length novels, "King of Chess", "King of Trees" and "King of Children" have been released by a publishing house managed by Guo Feng, a noted prose writer in Taiwan.

The work of this 37-year-old mainland writer, among several already introduced in Taiwan, first appeared in the May issue of "LIENHO LITERATURE" (UNITED LITERATURE). Later other novels and stories were released in magazines and newspapers.

"Zhong's works are refined and creative, but still share a strong sense of Chinese culture," said Guo Feng in a recent commentary.

CONDITIONS SET TO ATTEND 1990 ASIAN GAMES

OW211403 Taipei International Service in English 0200 GMT 20 Sep 86

[Text] The REUTERS reports from Seoul: A top ROC [Republic of China] sports official said on Thursday the Republic of China will send a team to the 1990 Asian Games in Peking on the grounds it is allowed to join the Olympic Council of Asia. ROC's representative on the International Olympic Committee Harry Hsu spoke to reporters at Seoul airport after flying in to attend the 10th Asian Games opening in Seoul on Saturday.

EXECUTIVE YUAN APPROVES FOREIGN TRADE BODY PLAN

OW201107 Taipei CNA in English 1027 GMT 20 Sep 86

[Text] Taipei, Sept. 20 (CNA) -- The Executive Yuan said Saturday that it has instructed the Economics Ministry to join with the Ministry of Foreign Affairs to study the feasibility of creating an exclusive agency to handle trade negotiations with foreign countries.

The cabinet said that with trade protectionism rising in the world community, trade talks with foreign countries have become more tough than ever before. Moreover, major topics in such talks often involve complicated problems or those involving several different government departments. It is, therefore, necessary to establish a special agency to handle trade talks, the cabinet said. It added that the Board of Foreign Trade under the Economics Ministry has asked its branch offices abroad to collect data and information about how their resident countries handle trade talks with other nations. All the information will be used as reference for the establishment of the planned body.

The cabinet made the above remarks in a written reply to an interpellation by Legislator Lin Lo-shan

U.S. AGRICULTURAL IMPORTS ACCORD TO BE SIGNED

OW240341 Taipei CNA in English 0255 GMT 24 Sep 86

[Text] Washington, Sept. 23 (CNA) -- The Republic of China and the United States will sign an agreement next week that calls for Chinese imports of 18,750,000 metric tons of agricultural products from the U.S. in the next five years, it was announced Tuesday.

The agreement will be signed by representatives of the Republic of China's Wheat, Corn, Barley and Soybean Associations on the one hand, and American grain suppliers on the other at a ceremony scheduled for the afternoon of October 2 at the J.W. Marriott Hotel in Washington, said the information division of the U.S.A. Office of the Coordination Council for North American Affairs.

The 18,750,000 tons of grains covered in the agreement include 5 million tons of soybeans, 2,750,000 tons of wheat, 10 million tons of corn, and one million tons of barley.

A total of 21 U.S. suppliers from 12 different states are involved in the agreement. They include one from Connecticut, two from Illinois, one from Indiana, three from Kansas, two from Louisiana, two from Minnesota, one from New Jersey, four from New York, two from Oregon, and one each from Tennessee, Virginia, and District of Columbia.

It will be the third five-year grains agreement signed between the Republic of China and the United States. The previous one, running from July 1, 1981, through June 30, 1986, calls for Chinese purchase of 17,350,000 tons of U.S. grains. Actual purchases, however, amounted to 24 million tons, or 36 percent more than the target set forth in the agreement.

The Republic of China currently ranks fourth among world-wide importers of U.S. grains, following Japan, the Soviet Union and Nigeria. During 1984-85, the Republic of China purchased 4,274,871 tons of all grains and feeds, or 4.5 percent of over-all U.S. grains exports.

YU KUO-HUA REVIEWS INTERNATIONAL RELATIONS

OW231147 Taipei CNA in English 1047 GMT 23 Sep 86

[Text] Taipei, Sept. 23 (CNA) -- Premier Yu Kuo-hua said (?today) that the Republic of China's [ROC] military buildup [words indistinct] struggle for prosperity not only strengthens the security of the western Pacific but also serves to thwart communist aggression. Yu Made the remarks at an oral administrative report at the 78th session of the Legislative Yuan. Yu said that the Republic of China will always stand with the democratic camp and be a champion of justice.

On the ROC's international relationships, the premier said that ROC-U.S. relations have developed steadily and cited joint efforts to achieve mutually beneficial and fair agreements as the two nations hammer out trade differences.

In the areas of Asia and Africa, Yu said that the ROC maintains cordial relations with many nations, such as South Korea, Saudi Arabia and South Africa. Additionally, the ROC's relations with the member states of the Association of Southeast Asia Nations are increasingly close. Yu took special note of the public commemoration in Japan of the late President Chiang Kai-shek's post-World War II generosity to that nation.

Yu also noted a 20 percent increase in the nation's trade with Western Europe, showing that the ROC's substantial relations with countries in that area are growing.

For the survival of the Republic of China, Yu stressed, the nation is determined to overthrow the tyrannical rule of the Chinese communists at all costs.

COMMENTARY ASSESSES TAIWAN'S DEMOCRATIZATION

OW231441 Taipei CNA in English 1408 GMT 23 Sep 86

[Text] Taipei, Sept. 23 (CNA) -- The following is a commentary by the Broadcasting Corporation of China (BCC) in Taipei entitled "ROC [Republic of China] Democratization."

Former Representative of the American Institute in Taiwan James Lilley said last Wednesday that political democratization in Free China was "a lot better" when he quit the post than when he assumed it.

Testifying at a Senate Foreign Relations Committee hearing on his nomination as ambassador to South Korea, Lilley remarked the record of political development in the Republic of China on Taiwan is one of continuous improvement.

Lilley's assessment has been borne out by events in the past several months. The ruling Kuomintang [KMT] whose fate has been intertwined with modern China even before the birth of the Chinese republic has kept its promise to perfect the nation's democratic rule although Free China is still technically in a state of war with a colossal enemy breathing hot and cold across a narrow body of water.

A 12-member ad hoc group appointed by the party has been studying a number of politically sensitive issues with a view to broadening political participation without endangering the security of the state.

The Kuomintang, whose dominance at the polls has never been challenged and is likely to remain so in the foreseeable future, has also volunteered to start a political dialogue with the small but highly articulate opposition. Unfortunately, the opposition has terminated the fencemending talks after two rounds of negotiations during which the government party made generous concessions for the sake of national solidarity.

But the Kuomintang has not given up the efforts to reach reconciliation, even though the oppositionists have taken to the streets in recent weeks.

President Chiang Ching-kuo, who is also chairman of the Kuomintang, recently called for national solidarity and internal stability to cope with Peking's stepped-up united front offensive, because the Chinese Communist regime likes nothing better than a Free China internally divided. Only when the people in Taiwan are quarreling between themselves can Peking hope to conquer the island province without firing a shot in anger.

So far the oppositionists in Taiwan seem to have turned a deaf ear to the president's appeal. Using a purely legal case as an excuse, some oppositionists in Taipei have held a series of speech rallies and protest marches in the hope of creating disturbance on the eve of the scheduled parliamentary by-elections in December.

But the opposition is doomed to disappointment. The people in Free China are too sophisticated to be misled by demagogues and politicians whose heads have been turned by ambition.

The people in Taiwan are the beneficiaries of the government's progressive policies, which are responsible for the nation's economic prosperity, social progress and political freedom. The majority of them consider themselves middle class.

They also know that without internal stability, no progress of any kind is possible. The leadership provided by the Kuomintang has been proven to be correct and is largely responsible for all the good things now available to the people of Free China.

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CHINA
HONG KONG & MACAO

W 1

HONG KONG

'NUCLEAR POWER OBJECT' HOAX AT U.S. CONSULATE

HK240153 Hong Kong HONGKONG STANDARD in English 24 Sep 86 p 1

[Text] A police bomb squad blew up a suspicious object, which turned out to be a hoax, outside the U.S. Consulate General in Garden Road early this morning. [sentence as published]

The object, contained in brown paper bag, was found hanging on the gate of the Consulate shortly before 1 am by a police constable passing by.

There were four Chinese characters written on the bag which read: "Nuclear Power Object."

Police officer used a detonator to blast it open and found it contained only a roll of toilet paper and two cans.

INSURANCE MARKET PROFITS FROM PRC POLICIES

OW222022 Beijing XINHUA in English 1630 GMT 22 Sep 86

[Text] Hong Kong, September 22 (XINHUA) -- The Hong Kong [HK] international business insurance market cannot help but prosper in its environment, said HK Financial Secretary Piers Jacobs today.

Speaking at the opening ceremony of the East Asian Insurance Congress, Jacobs said, "Hong Kong's future role in world insurance can only gain in importance and recognition as Hong Kong continues to prosper."

He said: "I have no doubt that China's modernization programs and open door policy, and the continued economic development in the Pacific basin, will generate further business."

Hong Kong, with its proximity to the Chinese mainland and its position in the East Asian region, "will stand to benefit," he added.

At present there are 288 authorized insurance companies in Hong Kong, of which 128 are locally incorporated while the rest are foreign companies. The size of the insurance market, as measured by premium income, is now estimated to have reached more than 10 billion U.S. dollars.

The financial secretary said te government hs achieved its aim to provide the right environment for successful business operations.

These include a low corporate tax of only 18.5 percent, with no government interference in the flow of capital. In addition, Hong Kong set up a comprehensive set of laws regulting insurance in 1983 to have flexible supervision over the market.

UK MINISTER TO DISCUSS VIETNAMESE REFUGEES

HK230301 Hong Kong SOUTH CHINA MORNING POST in English 23 Sep 86 p 25

[Text] British Minister of State at the Home Office Mr David Waddington has arrived in Hong Kong on a five-day visit to discuss the Vietnamese refugees.

Mr Waddington told the SOUTH CHINA MORNING POST: "Principal in the discussions I hold here will be the future of the three closed camps currently housing the refugees from Vietnam."

The British Government has so far admitted about 460 of the 500 refugees it is committed to taking this year, and it continues to urge other countries to take in Vietnamese still in camps in Hong Kong.

Mr Waddington, whose portfolio makes him responsible for immigration and refugee policy, recently steered through the House of Commons the Hong Kong (British Nationality) Bill.

Before leaving London, he discussed with the Foreign and Commonwealth Office the "significance" of the new passport to be issued to Hong Kong residents.

"I am hopeful that visa abolition agreements with Governments which have not previously required visas of British citizens of Hong Kong will be entered into and that a broad, international recognition will be given the new passport," Mr Waddington said.

He pointed out that Australia, the U.S. and European Community countries had indicated their willingness to recognise the new passport and said he hoped it would achieve similar status throughout the world.

Talking about the Joint Liaison Group, Mr Waddington said he had confidence in progress already made.

HONG KONG MANUFACTURERS RECORD FALL IN ORDERS

HK220643 Hong Kong HONGKONG STANDARD (BUSINESS NEWS SUPPLEMENT) in English 22 Sep 86 p 1

[By Gerry Marron]

[Text] Hong Kong's 200 largest manufacturing firms recorded a fall in the average volume of their orders in hand position during July compared with June.

This is revealed in a survey by the Census and Statistics Department, which highlights some increase in the orders position for clothing, textiles and fabricated metal products firms.

Clothing and textiles both threw up an increase of 1 percent compared with the previous month while the increase in the orders in hand position in the fabricated metal products industry was 3 percent.

But the volume of orders for the plastic products industry was down 9 percent on June and those for the electronics industry fell by 1 percent.

Overall the volume of orders in hand was 1 percent down on June of this year.

A department spokesman said the 200 firms were not chosen at random and the figures may not reflect the experience of the economy as a whole.

But he said it should give a useful indication of the direction of change for a quick assessment.

The survey also reveals that most industries recorded an increase in employment in July.

The plastics industry led the way with 10 percent more on the payroll than in June -- thought due to the increased recruitment of summer workers.

There was a small increase compared to June of 1 percent in the number of construction industry workers engaged directly by firms as companies speeded up the progress of their projects.

The food and drinks industry reported little change in the employment situation.

The department survey shows that wages in most of the manufacturing industries rose -- due mainly to the payment of overtime allowances and salary revision.

Individual earnings in the plastic products industry were \$2,995 -- up 8 percent on June -- while in the food and drinks sector and construction industry they rose by 3 percent.

The increase over the same period for workers in clothing, textiles, fabricated metal and electrical and electronic products industries was 2 percent.

Construction workers were the highest paid -- receiving an average of \$4,820 while the lowest paid were those in the fabricated metal products industry, \$2,802.

The average manufacturing industry wage in July was \$3,234. Moving onto the services sector of the economy the department survey says a stable employment situation was reported.

The average wage was \$6,097 -- 5 percent up on June.

Wages for those working for the public utilities increased 13 percent on June because of salary revisions and the payment of special bonuses.

The 200 largest manufacturing companies and 50 biggest companies in the construction and selected services sectors involved in the survey were chosen by reference to their employment situation in March 1983.

Orders-On-Hand in Manufacturing Industries

INDUSTRY	(Percent Change Over the Preceding Month)			Orders-On-Hand (in Terms of Months) for July
	May	June	July	
Wearing apparel, except footwear	3	-1	plus 1	4.91
Textiles, except wearing apparel	-3	*	plus 1	2.41
Plastic products	-4	-8	-9	3.28
Fabricated metal products	plus 3	plus 4	plus 3	4.02
Electrical and electronic products	*	-2	-1	5.18
Others	*	plus 1	*	4.43
All above industries	plus 1	-1	-1	4.40

* Changes Plus or Minus 0.5 Percent

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